OTS HOLDINGS LIMITED

PRESERVING TRADITIONS INSPIRING GENERATIONS

弘扬传统，承传世代



Annual Report 2021

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The contact person for the Sponsor is Ms. Charmian Lim (Tel: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

CORPORATE PROFILE

> **"Our vision is to develop a growing portfolio of established consumer brands and to become an innovative market leader in the region."**

Established in 1993, OTS Holdings Limited is a brand builder and food manufacturing group in the consumer industry with a strong niche in ready-to-eat and ready-to-cook meat products with key markets in Singapore and Malaysia.

Targeting both halal and non-halal consumer segments, the Group has more than 1,100 Stock-Keeping Units ("**SKU**") across 13 main product types under its six house brands and notably the Group's flagship brands, "**Golden Bridge**" and "**Kelly's**" have become established household names within the ready-to-eat and ready-to-cook meat products market in Singapore and Malaysia.

From challenging ourselves to improve our recipes to exploring technological innovations to enhance efficiency and quality in our manufacturing processes, we continue to push new boundaries as food innovators.

Supported by our in-house research and development team, we take pride in our commitment to continuously reinvent ourselves and create better products to respond swiftly and in a timely manner to market trends and support the diverse tastes of our customers.

The Group's food products are sold in major supermarkets, convenience stores, provision shops, hotels and restaurants in Singapore and Malaysia. Having built an established sales and distribution network over the past few decades, the Group aims to expand our presence in existing markets and overseas.

For more information, please visit the Company's website at www.ots-holdings.com.



Mr. Ong Bee Song
Sales Director of Golden Bridge and Ellaziq Singapore

Mdm. Ong Chew Yong
Executive Director

Mr. Ong Bee Chip
Managing Director

CORPORATE PROFILE

MODERN FOOD MANUFACTURING FACILITIES

We own and operate three modern food manufacturing facilities, two in Singapore and one in Bulan Island, Indonesia.

In Singapore, our integrated food manufacturing facilities span across around 9,131 sq m with an average annual production of around 2,500 tonnes of ready-to-eat and ready-to-cook meat products.

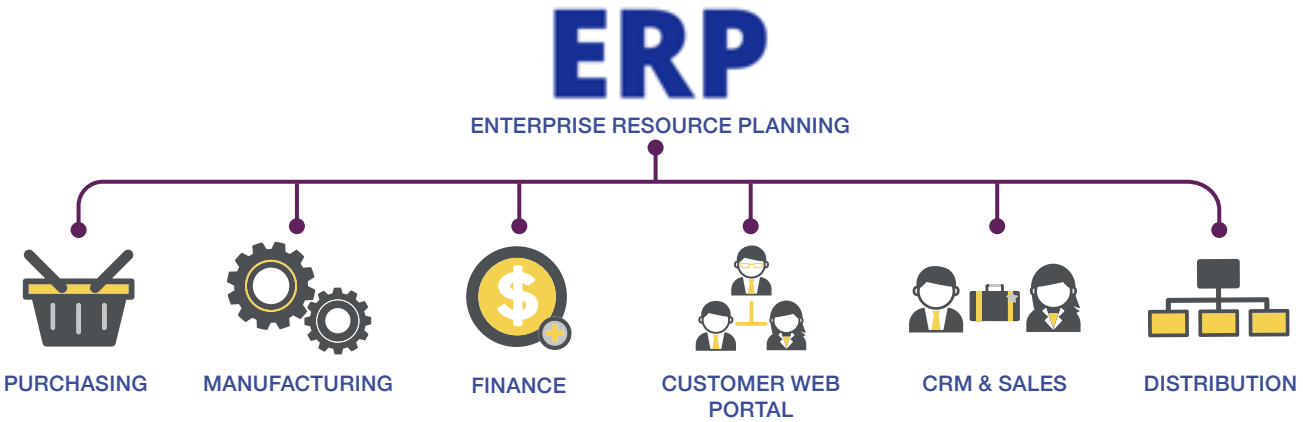
We have the capability to manage and process as many as four product categories - chilled, frozen, dried and shelf-stable ready-to-eat and ready-to-cook meat products.



Our modern food manufacturing facilities at 30 Senoko South Road Singapore 758088

Technology Driven Manufacturing Capabilities

- Recognising the importance of technology in increasing productivity and efficiency, we believe we were among the first in our industry in Singapore to adopt certain modules of an enterprise resource planning ("**ERP**") system in 2003.
- Made several upgrades and improvements leading eventually to the implementation of an ERP system today, which connects every step of the manufacturing process, thereby enabling us to track and monitor every aspect of our process and products with speed, accuracy and ease.



CORPORATE PROFILE

QUALITY ASSURANCE & CERTIFICATIONS

Knowing how important safety and quality standards are to consumers, especially in the food business, we are dedicated to ensuring our culture embodies these key beliefs in our processes.

Since 2015, the food safety management systems of our production facilities in Singapore have received the FSSC 22000 Food Safety System Certification, which demonstrates that our production facilities have robust food safety management systems in place.

We have been achieving Grade 'A' status for excellence in food hygiene and food safety standards from the Singapore Food Agency or the Agri-Food & Veterinary Authority of Singapore (as the case may be) for certain types of processing such as retort canning, sausage and ham processing since 2010 for Golden Bridge Foods Manufacturing Pte Ltd and since 2011 for Ellaziq Private Limited.

We have obtained halal certification from Majlis Ugama Islam Singapura in Singapore for the products that are manufactured at this production facility. In Malaysia, the manufacturing of our products is outsourced to a contract manufacturer, which has also obtained the requisite halal certification from the Department of Islamic Development Malaysia (JAKIM) in Malaysia.

In addition, our two production facilities in Singapore are the only two out of the three meat processing plants in Singapore which have obtained approval for the export of meat products from Singapore to the European Union.

ESTABLISHED DISTRIBUTION CHANNELS

We have built an established sales and distribution network over the past few decades and our brands have been widely marketed and sold in major supermarkets (such as NTUC Fairprice, Sheng Siong, Giant), convenience stores, provision shops, hotels and restaurants in Singapore and Malaysia. In addition, we intend to strengthen our presence on e-commerce platforms and via our websites.

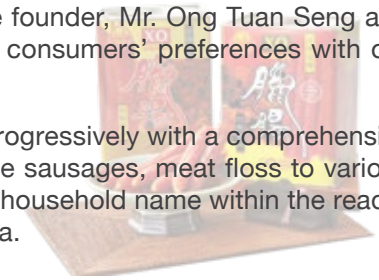
"Our food products have been marketed and sold in more than 25 countries, including Brunei, Hong Kong, Myanmar, India and countries in the European Union."



OUR BRANDS

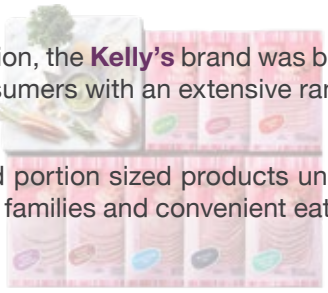
Our "**Golden Bridge**" brand was created by our late founder, Mr. Ong Tuan Seng and it symbolises our belief to serve as a connection to consumers' preferences with our quality F&B products.

Since then, the "**Golden Bridge**" brand has grown progressively with a comprehensive range of new products, ranging from Taiwanese-style sausages, meat floss to various variety of luncheon meats, becoming an established household name within the ready-to-eat consumer market in Singapore and across Asia.



Symbolising the motherly love and care for food preparation, the **Kelly's** brand was born in 2004 to serve the sophisticated tastes of modern consumers with an extensive range of Western-style meats and products.

From classic tastes to bold flavours, we have developed portion sized products under the **Kelly's** brand to cater to the growing trend of smaller families and convenient eating on the go.



Responding to growing consumer needs for halal lifestyles, our **El-Dina** brand specialises in offering a wide range of exquisite quality and gourmet halal food catered for the discerning end-consumer with iconic tastes of the world.

El-Dina has grown to be a prominent halal retail brand that is known for quality and gourmet taste with its extensive range of premium quality ambient, chilled, frozen halal meat products and meat floss.



Launched in 2013, the **GB GoldenLion** brand is specially developed and targeted at food service businesses (such as hotels, restaurants, airlines, caterers, quick service restaurants, ship chandlers, bakeries, clubs, cafes and pubs) in Singapore and Asia.

The tradition of excellence is carried on with the **GB GoldenLion** brand with a wide range of high-quality oriental and western products that are made in Singapore.



As the national flower of Singapore, **Orchid** is closely identified with Singapore and it is the namesake for our overseas brand.

Produced with comprehensive quality and strict food safety standards, the **Orchid** brand has a wide range of ready-to-eat meat products that are specially developed to suit the palates of the local communities in our overseas markets.



The **Kizmiq** brand is targeted at the food service businesses in the halal F&B industry, providing a wide range of halal meat products and meat floss for better value.

Kizmiq serves various categories of food service businesses (such as hotels, restaurants, airlines, caterers, quick service restaurants, ship chandlers, bakeries, clubs, cafes and pubs).

CORPORATE MILESTONES

The history of our Group can be traced back to August 1993 when Golden Bridge was established by Mr. Ong Tuan Seng and Mr. Ang Tik Bee (who is the father and brother-in-law respectively of our Executive Directors, Mr. Ong Bee Chip and Mdm. Ong Chew Yong, and our Controlling Shareholder, Mr. Ong Bee Song) primarily to produce premium Chinese sausages.

Mr. Ong Tuan Seng first came up with the innovative idea of creating XO special lean Chinese sausages, recognising that the aroma of XO brandy would be popular with the market.

Since then, the Group has grown progressively over the past two decades with a vision to develop a growing portfolio of established consumer brands and to become an innovative market leader in the region.

2021

Incorporation of subsidiary in the Philippines



Successfully completed our IPO listing on 17 June 2021

SGX

2019

Business expansion into Indonesia



2017

Business expansion into Malaysia



2010

Expansion of our Singapore integrated facilities to include halal production

2009

Start of our canning operations

2004

Catering to new consumer trends

1999

Product range expansion with innovation and technologies



1993

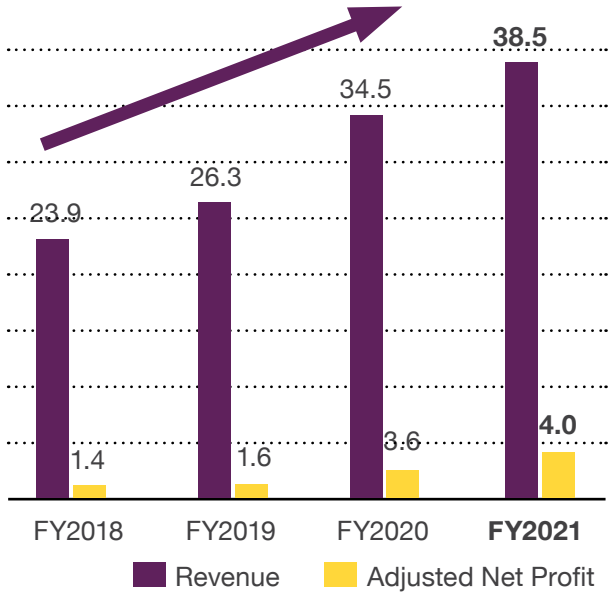
Beginning of a heritage

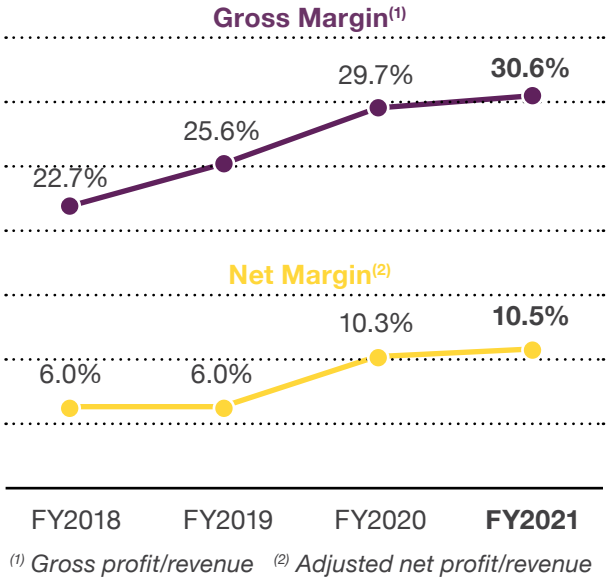


FINANCIAL HIGHLIGHTS

S$ million (financial year end: 30 Jun)	FY2018	FY2019	FY2020	**FY2021**	%
Revenue	23.9	26.3	34.5	**38.5**	+11.5
Gross profit	5.4	6.7	10.2	**11.8**	+15.0
Net profit	1.4	1.6	3.6	**3.0**	(15.8)
Adjusted net profit*	1.4	1.6	3.6	**4.0**	+14.1

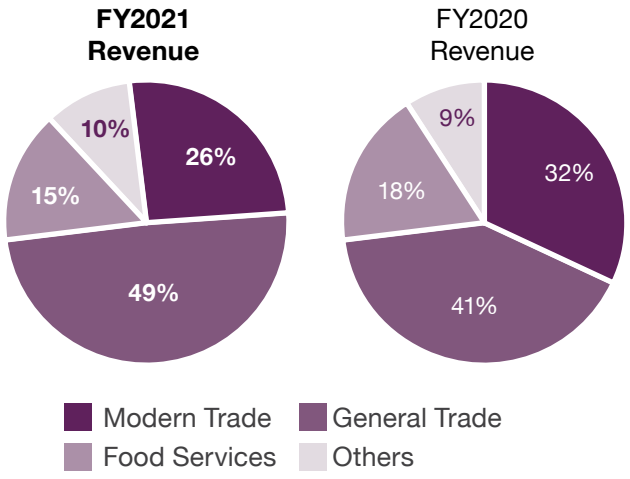
** Excluding IPO expenses of approximately S$1.06 million, of which S$0.9 million wass recognised during 2H2021*



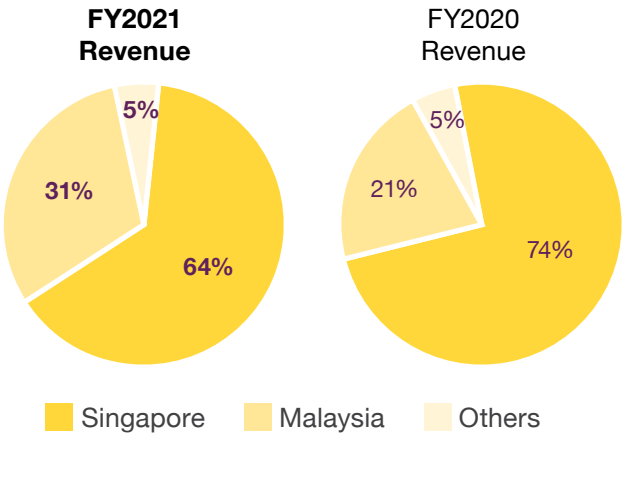


(1) Gross profit/revenue (2) Adjusted net profit/revenue

Business Segments



Geographical Segments



The differences in the figures stated herein and the figures set out in the results announcement dated 29 August 2021 are due to rounding.

CHAIRMAN'S LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

On behalf of the board of directors, I would like to extend a warm welcome to all our shareholders to the extended family of OTS Holdings Limited ("**OTS Holdings**" or the "**Company**" and its subsidiaries, the "**Group**"). I also take great pleasure to present our inaugural Annual Report for the financial year ended 30 June 2021 ("**FY2021**").

Despite the challenges brought about by COVID-19, I am pleased to highlight that OTS Holdings achieved revenue growth of 11.5% and net profit of S$4.05 million (excluding IPO expenses) in FY2021. More details of our operations and financial performance in FY2021 will be shared by our Managing Director, Mr. Ong Bee Chip in his message.

To reward shareholders, the Board of Directors has recommended a dividend of 0.7 cents per share, which represents approximately 50% of our FY2021's net profit. This is in line with the dividend guideline stated in the Company's offer document dated 8 June 2021.

Since our founding in 1993 by the Company's late founder, Mr. Ong Tuan Seng, OTS Holdings has strongly believed in connecting consumers' preferences with quality food products.

As a brand builder, we have established six brands under our brand portfolio with more than 1,100 SKUs across 13 main product types targeting both halal and non-halal consumer segments. We also produce seasonal food products (such as roast meats, hams and pork knuckles) during festive periods such as Chinese New Year and Christmas.

By placing strong emphasis on the branding and positioning of the Group's flagship brands, "**Golden Bridge**" and "**Kelly's**", these two brands have become established household names in Singapore and Malaysia, with a strong niche in ready-to-eat and ready-to-cook meat products in the key markets of Singapore and Malaysia.

In addition, the Group's retail halal brand, "**El-Dina**", has gained more popularity with its wide range of quality and gourmet halal food products offered to consumers.

With our IPO listing on SGX-Catalist on 17 June 2021, we have reached another milestone in our corporate history. The listing represents the culmination of two decades of capital investment and efforts in promoting our brands, modernising our manufacturing facilities and expanding our distribution network.

The net IPO proceeds of approximately S$6.56 million are intended to be used as follows:

- S$2.00 million to be used for improvement and/or expansion of production efficiency and capacities, including the acquisition of new machineries and equipment;
- S$2.50 million to be used for expansion of the Group's overseas operations, including the initial investment and set up costs in the Philippines;
- S$0.50 million to be used for developing new products and engaging in research and development; and
- S$1.56 million to be used for general working capital purposes.

With these building blocks in place, we are in a better position to pursue new opportunities in expanding our brand portfolio and investing in new integrated manufacturing facilities beyond our current markets to further expand our business in targeted overseas markets.

Our long-term growth focus, along with strong commitments to prudency and disciplined execution, will guide us in accelerating the next phases of our Company's development, where higher demand of our products will translate to even better potential for greater economies of scale and efficiencies.

On this note, I would like to thank my fellow directors for their commitment, expertise and insights that they collectively bring in shaping our Company's future. I would also like to extend my appreciation to all employees and business partners for their support and dedication to the Company.

Last but not least, I would like to give thanks to our shareholders for their confidence in joining us on our journey to establish long-standing F&B brands and create more delectable products for consumers in Asia.

We look forward to share more of our progress in the year ahead.

Thank you.

DR. YU LAI BOON
Non-Executive Chairman and Independent Director

MESSAGE FROM MANAGING DIRECTOR

DEAR SHAREHOLDERS,

It is my great honour to be sharing my very first message to shareholders in OTS Holdings' inaugural Annual Report for FY2021.

With our IPO listing on 17 June 2021, it has been a milestone year for OTS Holdings and this achievement would not have been possible without the support of all our employees, business partners and directors.

As a tribute to our Company's late founder, Mr. Ong Tuan Seng, for his entrepreneurial spirit and mentorship, we have used his name as the acronym for our listed entity, OTS Holdings. It is with Mr. Ong Tuan Seng's foresight and unwavering pursuance for connecting quality food products with customers' needs that led to the creation of our flagship brand "**Golden Bridge**" and our signature XO Wine Chinese sausage in 1993. We hope that it also serves as a constant reminder to our people to always be connected to our consumers.

The global COVID-19 situation remains uncertain, but the health and safety of our people remains our top priority as we continue to maintain our operational stability and business agility in our next chapter as a listed company.

WE ARE BRAND BUILDERS AND MORE

Over the years, we have established a reputation as a trusted brand owner with a multi-product non-halal and halal portfolio and our flagship brands "**Golden Bridge**" and "**Kelly's**" have become longstanding presence in the hearts of Singaporeans.

The Group has steadily grown in scale over the past two decades becoming one of the major ready-to-eat and ready-to-cook meat product manufacturers in Singapore today, including the ability to manufacture both non-halal and halal meat products, and the capability to manage and process as many as four product categories - chilled, frozen, dried and shelf-stable meat products - within one single facility.

Technology has been a pivotal part of our growth and as strong believers in technology and innovation, we have continuously invested in upgrades and improvements. Today, our ERP system connects every step of the manufacturing process – from research and development, order taking, product development, sourcing, food processing, packaging to delivery, enabling us to track and monitor every aspect of our process and products with speed, accuracy and ease.

Even as the COVID-19 pandemic unfolded, our manufacturing activities have not been significantly affected. In large part, this is due to our team's ability to quickly adapt and integrate our systems and processes with new safe management measures.

With majority of our products manufactured in our Singapore facilities, we will utilise some of the IPO proceeds to continue to improve and expand our production efficiency and capacities to be in line with our market expansion plans.

SINGAPORE AND BEYOND

Our established presence in Singapore has created a strong foundation for our business. Leveraging on the IPO proceeds raised, we are looking to accelerate our growth strategy that involves greater regional presence and diversification through new markets and products.

We are currently in the process of developing our own plant-based food products, such as plant-based canned luncheon meat, to cater to a growing demand for plant-based food products. We intend to launch our new plant-based food products by early 2022.

In Malaysia, the Group's business activities have been gaining more momentum and we will focus on increasing and expanding our product offerings to consumers in Malaysia.

In Indonesia, the Group has established and commenced operations through its associated company, PT Delta Bridge Foods ("**Delta Bridge Indonesia**"), which is currently manufacturing non-halal Chinese sausages for distribution in Indonesia. As we progress ahead, we aim to expand the product range offered by Delta Bridge Indonesia to include canned meat products.

To further expand our business presence in the region, we incorporated a subsidiary in the Philippines in April 2021 and we plan to import our food products into the Philippines to build our branding presence and expand our product offerings to the Philippines market.

Leveraging our brands' strength and product innovation, we are focused on increasing both market share and distribution in our new geographical markets.

BUILDING TRUST FOR GENERATIONS

Brand is about building trust. And as brand builders, the Group is excited about the opportunities we have in the region and beyond. We warmly welcome our shareholders to join us on the next phase of OTS Holdings' journey ahead.

Thank you.

MR. ONG BEE CHIP
Managing Director

FINANCIAL REVIEW

PROFIT & LOSS HIGHLIGHTS

OTS Holdings' business activities are generally subject to seasonal fluctuations in the demand for our products, which increases during festive periods.

The Group's revenue comprised the following:

(a) sales generated from major supermarkets ("**Modern Trade**");

(b) sales generated from convenience stores, provision shops and wholesalers ("**General Trade**");

(c) sales generated from hotels, restaurants, hawker centres, food courts, food and beverage stores, and caterers ("**Food Services**"); and

(d) sales that are mainly generated from e-commerce platforms and the export markets, and other income such as vehicle rental income and miscellaneous income ("**Others**").

Geographically, the Group's key markets are in Singapore and Malaysia.

Revenue

In FY2021, the Group's revenue increased by approximately S$3.97 million or 11.5%, to approximately S$38.51 million from approximately S$34.54 million in FY2020.

Modern Trade segment: Revenue decreased by approximately S$1.11 million or 10.2% to approximately S$9.85 million in FY2021 from approximately S$10.96 million in FY2020, mainly due to absence of stockpiling activities by major supermarkets as part of Singapore Government's effort to manage food supply disruptions during the initial stages of the COVID-19 pandemic. However, this was offset by a change in product mix by our Group to focus on higher margin products.

General Trade segment: Revenue surged by approximately S$4.80 million or 34.1%, to approximately S$18.90 million in FY2021 from approximately S$14.09 million in FY2020, mainly due to an increase in product sales in Malaysia.

Food Services segment: Revenue declined slightly by approximately S$0.18 million or 3.0% to approximately S$5.92 million in FY2021 from approximately S$6.10 million in FY2020, mainly due to the dine-in restrictions imposed in our key markets as a result of the authorities' measures in response to COVID-19.

Others segment: Revenue increased by approximately S$0.46 million or 13.5%, to approximately S$3.84 million in FY2021 from approximately S$3.38 million in FY2020, mainly due to an increase in export sales to new customers in Hong Kong.

Geographically, below is the breakdown of the Group's revenue:

Singapore segment: Revenue dipped marginally by approximately S$0.98 million or 3.8% to approximately S$24.51 million in FY2021 from approximately S$25.49 million in FY2020, mainly due to absence of stockpiling activities by major supermarkets as part of Singapore Government's effort to manage food supply disruptions during the initial stages of the COVID-19 pandemic. However, this was offset by a change in product mix by our Group to focus on higher margin products.

Malaysia segment: Revenue surged by approximately S$4.69 million or 63.0% to approximately S$12.12 million in FY2021 from approximately S$7.43 million in FY2020, mainly due to an increase in product sales to new and existing customers.

Other segment: Revenue increased by approximately S$0.25 million or 16.0%, from approximately S$1.62 million in FY2020 to approximately S$1.87 million in FY2021, mainly due to an increase in export sales to Hong Kong.

Cost of sales

The Group's cost of sales increased by approximately S$2.43 million or 10.0% to approximately S$26.72 million in FY2021 from approximately S$24.29 million in FY2020, mainly due to an increase in raw material purchases in line with the increase in revenue in FY2021.

Gross profit and gross profit margin

As a result of the above, the Group's gross profit increased by S$1.54 million or 15.0% to S$11.79 million in FY2021 from S$10.25 million in FY2020. The Group's gross profit margin increased by 0.9 percentage points from 29.7% in FY2020 to 30.6% in FY2021, mainly due to economies of scale achieved from higher production output.

Other income

The Group's other income increased by approximately S$0.17 million or 20.7% to approximately S$0.99 million in FY2021 from approximately S$0.82 million in FY2020, mainly due to (a) increase in job support scheme ("**JSS**") of approximately S$0.08 million, (b) increase in other government subsidies of approximately S$0.13 million,

FINANCIAL REVIEW

and was partially offset by (c) the lower of gain from disposal of fixed asset amounting to approximately S$0.04 million in FY2021.

Expenses

Marketing and distribution: The Group' marketing and distribution costs increased by approximately S$0.05 million or 2.6% to approximately S$2.13 million in FY2021 from approximately S$2.07 million in FY2020, mainly due to an increase in advertising and promotion of approximately S$0.05 million.

Administrative expense: The Group's administrative expenses increased by approximately S$0.92 million or 22.0% to approximately S$5.12 million in FY2021 from approximately S$4.19 million in FY2020, mainly due to (a) an increase in employee salaries and benefit by S$0.56 million, and (b) an increase in legal and professional expenses by S$0.19 million.

Depreciation of plant and equipment and right-of-use assets: The Group's depreciation of plant and equipment and right-of-use assets increased by S$0.08 million to S$1.41 million in FY2021 from S$1.33 million in FY2020 due to acquisition of assets during the year. The depreciation expenses are charged to cost of sales and administrative expenses.

Amortisation of deferred grants: Amortisation of deferred grants remained relatively constant in FY2021 and FY2020.

Finance cost

The Group's finance costs increased by approximately S$0.02 million or 7.7% to approximately S$0.28 million in FY2021 from approximately S$0.26 million in FY2020, mainly due to (a) an increase in term loan interest by S$0.03 million, and offset by (b) a decrease in interest in trust receipt by S$0.01 million.

Other losses

The Group's other losses increased by approximately S$1.18 million or 1,475.0%, to approximately S$1.26 million in FY2021 from approximately S$0.08 million in FY2020, mainly due to (a) increase in foreign exchange losses by S$0.03 million, (b) plant and equipment written off of S$0.09 million and (c) IPO expense recognised of approximately S$1.06 million in FY2021.

Income tax expense

The Group's income tax expenses increased by approximately S$0.05 million or 6.0% to approximately S$0.89 million in FY2021 from approximately S$0.84 million in FY2020, mainly due to the increase in Malaysia subsidiaries' tax payable.

Share of loss from joint venture

The Group's share of loss from joint ventures increased by approximately S$0.04 million to approximately S$0.11 million in FY2021 from approximately S$0.07 million in FY2020, mainly due to losses registered from Delta Bridge Pte. Ltd, a 50% joint venture of the Company, resulting from the slow market penetration in Indonesia, due to the COVID-19 pandemic.

Profit for the year

Excluding the one-off IPO expenses incurred of approximately S$1.06 million during FY2021, the Group's profit would have been S$4.05 million for FY2021, an increase by approximately S$0.50 million or 14.1%, as compared to S$3.55 million in FY2020.

BALANCE SHEET HIGHLIGHTS

As at 30 June 2021, the Group's total assets increased to approximately S$45.18 million, comprising current assets of approximately S$30.21 million and non-current assets of approximately S$14.97 million. The Group's total liabilities decreased slightly to approximately S$15.54 million, comprising current liabilities of approximately S$8.00 million and non-current liabilities of approximately S$7.54 million as at 30 June 2021.

Current assets

Current assets increased by approximately S$8.89 million from approximately S$21.32 million in FY2020 to approximately S$30.21 million in FY2021, mainly due to (a) increase in cash and cash equivalents by S$10.82 million, and (b) an advance payment paid for the raw material of approximately S$0.27 million, which was offset by (a) decrease in inventories by approximately S$2.14 million; (b) decrease in trade and other receivables by approximately S$0.06 million.

Non-current assets

Non-current assets remained constant at approximately S$14.97 million in both FY2021 and FY2020. The differences in breakdown are mainly due to (a) property, plant and equipment ("**PPE**") decreased by approximately S$0.20 million as a result of depreciation during the financial period and offset by capital expenditure incurred in relation to purchase of equipment, (b) decrease in right-of-use assets by approximately S$0.08 million, as a result of depreciation and lease modification, (c) decrease in other non-financial assets comprised deposits for purchase of equipment which decreased as the Group received the equipment purchased during the year, and (d) increase in investment in joint venture, Delta Bridge Pte Ltd of approximately S$0.34 million.

Current liabilities

Current liabilities decreased by approximately S$0.08 million from approximately S$8.08 million in FY2020 to approximately S$8.00 million in FY2021 mainly due to (a) decrease in loans and borrowings of approximately S$0.27 million, (b) decrease in deferred capital grant and JSS recognised of approximately S$0.25 million, which was offset by (a) increase in provision of tax payable of approximately S$0.37 million, (b) increase in lease liabilities of approximately S$0.05 million, (c) increase in trade and other payables of approximately S$0.02 million.

Non-current liabilities

The Group's non-current liabilities decreased by approximately S$0.69 million from approximately S$8.23 million in FY2020 to approximately S$7.54 million in FY2021, mainly due to (a) the repayment of lease liabilities of approximately S$0.10 million, and loans and borrowings of approximately S$1.17 million in FY2021, (b) increase in new loans and borrowings of approximately S$0.5 million, (c) decrease in deferred capital grant of approximately S$0.11 million, (d) increase deferred tax liabilities from PPE acquired of approximately S$0.19 million, due to the difference between accounting policies of the Group and local tax legislation.

Total equity

Net asset value of the Group increased by approximately S$9.66 million from approximately S$19.98 million in FY2020 to approximately S$29.64 million in FY2021 due to the reasons set out above.

CASHFLOW HIGHLIGHTS

As at 30 June 2021, the Group's cash and cash equivalents amounted to approximately S$15.87 million and the Group recorded a net increase of approximately S$10.82 million in cash and cash equivalents during FY2021 as follows:

The Group generated net cash flow of approximately S$5.86 million from operating activities: Due to (a) operating cash inflow before working capital changes of approximately S$5.59 million, and (b) tax payment of approximately S$0.33 million, adjusted for net working capital inflow of approximately S$0.60 million.

The net working capital inflow was mainly due to (a) an increase in trade and other receivables of approximately S$0.18 million; (b) an increase in other non-financial assets of approximately S$0.26 million and (c) decrease in trade and other payables of S$1.10 million which was offset by a decrease in inventories of approximately S$2.14 million.

In FY2021, the Group used net cash of approximately S$1.34 million in investing activities: Due to (a) purchase of operation equipment and system, office equipment and renovation of approximately S$0.99 million; and (b) acquisition of joint venture of approximately S$0.45 million, which was partially offset by (a) gain from disposal of plant and equipment of approximately S$0.04 million, (b) decrease in other financial assets for the deposit for production equipment purchases of approximately S$0.05 million, (c) interest received of approximately S$7,000.

In FY2021, the Group generated net cash flows of approximately S$6.30 million from financing activities: Due to (a) proceeds from new share issue approximately S$7.70 million, (b) new borrowings of approximately S$0.5 million, (c) amount due to one of the shareholder for proceeds of vendor shares approximately S$1.35 million, (d) payment paid by related party on behalf of approximately S$0.29 million, which was offset by (a) repayment of loan and borrowing of approximately S$1.43 million; (b) repayment of finance lease of approximately S$0.47 million, (c) interest payment on loans and borrowings of approximately S$0.11 million, and (d) dividend paid to shareholders of approximately S$1.52 million.

BOARD OF DIRECTORS



1 **Dr. Yu Lai Boon**
Non-Executive Chairman and Independent Director

2 **Mr. Ong Bee Chip**
Managing Director



3 **Mdm. Ong Chew Yong**
Executive Director

4 **Mr. Chan Hiang Tiak**
Independent Director

5 **Ms. Tan Poh Hong**
Independent Director

BOARD OF DIRECTORS

1. Dr. Yu Lai Boon

Non-Executive Chairman and Independent Director

Dr. Yu Lai Boon has over 25 years of experience in sovereign wealth fund management, private equity investment, fund management, real estate development and real estate-related consultancy work. He has also been involved in the food and beverage industry since 2018.

Dr. Yu Lai Boon joined the Department of Real Estate, School of Design and Environment at National University of Singapore as a Post-Graduate Researcher, Research Assistant and Teaching Assistant between March 1988 and September 1997. He subsequently joined Jones Lang Wootton as an Associate Director for the period from October 1997 to March 1999. He was appointed as the National and Regional Director and Asia Pacific Head of Consultancy and Research in Jones Lang LaSalle Property Consultants Pte Ltd and was subsequently appointed as the Managing Director and Country Head during the period from March 1999 to March 2006. Between August 2000 and December 2000, he was appointed as a focus group member for the Ministry of National Development and was involved in the provision of expert advice on urban land economics in the formulation of the Concept Plan of the Urban Redevelopment Authority for the development of Singapore.

From June 2003 to December 2005, he was appointed as the Honorary Real Estate Consultancy Advisor of the Real Estate Developers' Association of Singapore. He was employed as the Chief Financial Officer and Chief Investment Officer of Nakheel PJSC in Dubai, the developers of the Palm Islands and the World Islands, from April 2006 to July 2006, and was subsequently employed as the Group Chief Investment Officer of Dubai World from July 2006 to April 2010.

He acted as a Member of the Advisory Panel within the Singapore Land Authority from July 2014 to July 2016. He was also an Adjunct Associate Professor of the Department of Real Estate, School of Design and Environment at the National University of Singapore between March 2014 and December 2015.

Dr. Yu Lai Boon graduated from the National University of Singapore with a Bachelor of Science (Estate Management) (Honours) in 1988 and a Master of Science (Estate Management) in 1991. He went on to obtain a Doctor of Philosophy from the University of Aberdeen in Scotland, United Kingdom in 1997.

Dr. Yu Lai Boon has also been a member of the Singapore Institute of Surveyors and Valuers since April 2001.

2. Mr. Ong Bee Chip

Managing Director

Mr. Ong Bee Chip is responsible for overseeing the overall Group's business and strategic planning, including the Group's overseas operations, expansion plans and sourcing for investment opportunities to promote the growth and development of the Group's business. He is also responsible for the overall management of the Group's facilities and maintenance.

Mr. Ong Bee Chip joined our Group as managing director of Golden Bridge in May 2006, and has more than 14 years of experience in the ready-to-eat and ready-to-cook meat manufacturing business. Mr. Ong Bee Chip has also been the managing director of Ellaziq Singapore since August 2018.

Prior to joining our Group, Mr. Ong Bee Chip was a sales manager at Chen Hock Heng Textile Printing Pte Ltd from January 1983 to April 2006, where he was responsible for overseeing the sales and marketing department and facilities management.

Mr. Ong Bee Chip obtained his Singapore-Cambridge General Certificate of Education Ordinary Level in December 1980. He has since completed the Nanyang International Chinese Advanced Management Program certified by Nanyang Business School, Nanyang Technological University, Singapore in 2010; Advanced Management Program certified by Haas School of Business, University of California Berkeley, USA in 2010 and Scale-up SG Stanford Executive Programme certified by Graduate School of Business, Stanford University, USA in 2021.

He was appointed by the Ministry of Education to serve on the Qihua Primary School Advisory Committee for a period of two (2) years from May 2020 to May 2022.

3. Mdm. Ong Chew Yong

Executive Director

Mdm. Ong Chew Yong is responsible for overseeing our Group's general operations including human resources, procurement, general management and administration. She also plays a vital role in the overall implementation of information technology initiatives within our Group to improve our production and efficiency.

Mdm. Ong Chew Yong joined our Group as the operations director of Golden Bridge in May 2005, and has more than 15 years of experience in the ready-to-eat and ready-to-cook meat manufacturing business. Mdm. Ong Chew Yong has also been the operations director of Ellaziq Singapore since August 2018.

BOARD OF DIRECTORS

Prior to joining our Group, Mdm. Ong Chew Yong was an operations senior manager at Chen Hock Heng Textile Printing Pte Ltd from January 1976 to April 2005, where she was responsible for overseeing the operations of the company.

Mdm. Ong Chew Yong received formal education up to Secondary 2 level in 1975 and has obtained the Advanced Professional Qualification in Global Business Leadership and International Relations certified by McDonough School of Business, Georgetown University, United States in 2015.

4. Mr. Chan Hiang Tiak

Independent Director

Mr. Chan Hiang Tiak started his career in DBS Bank Ltd as an assistant treasurer for the period from May 1984 to December 1988, where he was responsible for, among other things, planning and conducting information technology audits on the bank's computer systems. He joined Standard Chartered Bank (Singapore) Limited as a senior inspector from January 1989 to December 1989. He subsequently joined PricewaterhouseCoopers LLP in January 1990 and was admitted to partnership with the title of director in July 1998 and was redesignated as a partner in January 2009. Whilst in PricewaterhouseCoopers LLP, he was responsible for providing information technology audit, internal audit, consulting and control assurance services. Mr. Chan Hiang Tiak left PricewaterhouseCoopers LLP in June 2020.

Mr. Chan Hiang Tiak is currently an executive director and owner of Philia Means Love Pte. Ltd., a company which develops and markets skincare products, and he is responsible for the entire business and operations of the company. He is also engaged as a senior advisor to provide quality management review services to PricewaterhouseCoopers LLP on a part-time basis for the period from April 2021 to March 2022.

Mr. Chan Hiang Tiak graduated from the National University of Singapore with a Bachelor of Science in 1984. He went on to obtain a Master of Business (Information Technology) from the Royal Melbourne Institute of Technology, Australia in 1991, and a Master of Business Administration (Accountancy) from the Nanyang Technological University in 1997.

Mr. Chan Hiang Tiak was co-opted to the 2020/2021 Executive Committee of the Singapore Children's Society in August 2020, and was appointed a director of The Children's Charities Association of Singapore in September 2020.

Mr. Chan Hiang Tiak has completed the Executive Certificate in Directorship programme, which is a joint programme by the Singapore Management University and the Singapore Institute of Directors, in 2017.

5. Ms. Tan Poh Hong

Independent Director

Ms. Tan Poh Hong was the chief executive officer of AVA from March 2009 to September 2017 and was responsible for ensuring that AVA achieves its mission and vision, which includes, among others, ensuring food safety and security for Singapore. Prior to her appointment with AVA, Ms. Tan Poh Hong was the deputy chief executive officer of the Housing and Development Board ("**HDB**") from September 2004 to March 2009 where she was responsible for, among others, overseeing the operations, sales, policy research and development and corporate development of HDB. Prior to Ms. Tan Poh Hong's promotion to her role as deputy chief executive officer of HDB, Ms. Tan Poh Hong held various leadership positions in HDB for the period from April 1981 to December 1986 and from July 1988 to August 2004, including director of corporate development and head of policy development, allocations, and public affairs.

Ms. Tan Poh Hong obtained a Bachelor of Science (Honours) in Estate Management from the National University of Singapore in 1981, and a Master of Business Administration (with Distinction) from New York University, United States of America in 1988.

EXECUTIVE OFFICERS

Mr. Toh Kiam Hwee

Group Financial Controller

Mr. Toh Kiam Hwee is our Group Financial Controller and is responsible for the overall finance, accounting and taxation functions across our Group's businesses. He heads the finance team and also supports the senior management team on investments made by our Group.

Prior to joining our Group in December 2019 as a Group Financial Controller, Mr. Toh Kiam Hwee took on various finance and accounting roles before he started his career as an accounts executive in CityAxis Interior Pte. Ltd. in October 2000, and he was subsequently promoted to the position of accounts manager in April 2002. He took on the position of group accounts manager of ISG Asia Limited in February 2005, where he was responsible for, among other things, the consolidation of the management reports and statutory accounts of the group. In September 2006, Mr. Toh Kiam Hwee joined Hisaka (S) Pte Ltd as group accounts manager. In March 2007, he joined Fu Yu Corporation Limited as group accountant, and was subsequently promoted to the role of group financial controller (China) where he was responsible for managing the finance function of the group's China division. Mr. Toh Kiam Hwee joined BreadTalk Group Limited as a finance manager (regional) in May 2009 and was promoted to the position of senior finance manager (regional) in January 2010. For the period from August 2010 to January 2011, he was a senior finance manager of Food Republic Pte Ltd. Mr. Toh Kiam Hwee was also the finance manager of Kanji Group LLP for the period from March 2011 to October 2011. For the period from November 2011 to July 2015, Mr. Toh Kiam Hwee was a group financial controller of Gardien (SEA) Pte Ltd, a provider of independent testing and quality assurance solutions to the printed circuit boards industry, where he was responsible for managing the group's finance function to achieve its financial budget. For the period from November 2015 to November 2019, Mr. Toh Kiam Hwee took on various finance roles in companies in the food industry. In particular, he was employed by various entities within the Neo Group Limited group as senior finance manager from November 2015 to March 2016, by AT Fresh Pte Ltd as finance manager from November 2016 to February 2018, and by Iron Chef F&B Pte Ltd as financial controller from January 2019 to November 2019.

Mr. Toh Kiam Hwee graduated from the University of Portsmouth, United Kingdom, with an Honours Degree of Bachelor of Arts in Accountancy Studies in 2004.

Mr. Teh Chong Piow

General Manager, Malaysia

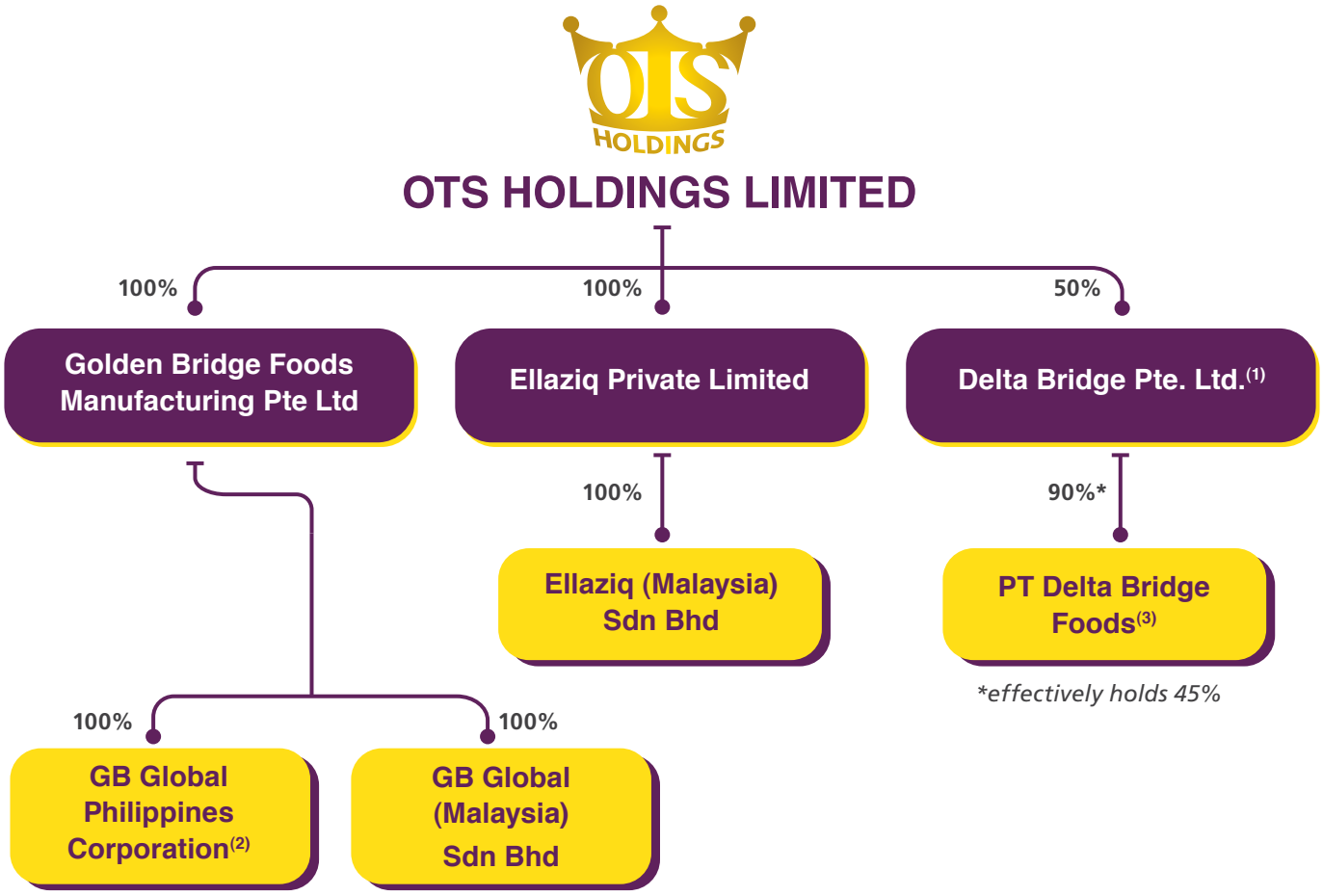
Mr. Teh Chong Piow is our General Manager, Malaysia and is responsible for managing the overall operations of our Group's business in Malaysia.

Mr. Teh Chong Piow first joined our Group in September 2018 as the country manager of GB Malaysia, and was subsequently promoted to the position of General Manager of GB Malaysia in July 2020.

Prior to joining our Group, Mr. Teh Chong Piow was employed as a sales director of Torto Marketing Sdn Bhd for the period from January 2017 to July 2018, and was also employed as a director of CP Smart Global Trading for the period from May 2018 to July 2018. He was employed as a sales director of Dr. Oetker Nona Malaysia Sdn Bhd for the period from December 2013 to January 2017, where he was responsible for managing the overall sales and marketing functions of the company. He held various positions in DKSH Malaysia Sdn Bhd for the period from July 2007 to November 2013, his last held position being national sales manager where he was responsible for managing the overall division sales and product management with brand principals. Prior to joining DKSH Malaysia Sdn Bhd, he was employed as a trainee in Sharp Roxy Malaysia Sdn Bhd for the period from September 2006 to July 2007.

Mr. Teh Chong Piow graduated from Universiti Putra Malaysia with a Diploma in Human Development in 2002, and subsequently graduated from Universiti Utara Malaysia with a Bachelor in Business Administration in 2006.

CORPORATE STRUCTURE



Notes:

(1) The remaining 50.0% of Delta Bridge Pte Ltd is held by Hogsworld Pte Ltd, an unrelated third party. Neither our Group nor Hogsworld Pte Ltd has control over, including control over the board of directors of, Delta Bridge Pte Ltd..

(2) The total number of issued common shares of GB Global Philippines Corporation is 100,000 common shares. Due to local requirements in the Philippines, two (2) of the common shares of GB Global Philippines Corporation are held by two (2) individuals as nominees for Golden Bridge Foods Manufacturing Pte Ltd. The remaining 99,998 common shares of GB Global Philippines Corporation are directly held by Golden Bridge Foods Manufacturing Pte Ltd. The two (2) individuals are Eleanor Mercado Montenegro and Ong Yekai. Eleanor Mercado Montenegro is not related to any of our Directors or Controlling Shareholders. Ong Yekai is the son of our Managing Director, Ong Bee Chip.

(3) The remaining 10.0% of PT Delta Bridge Foods is held by PT Agro Green Asia, an unrelated third party. Neither our Group nor PT Agro Green Asia has control over, including control over the board of directors of, PT Delta Bridge Foods.

The board of directors ("**Board**" or "**Directors**") of OTS Holdings Limited ("**Company**" and together with its subsidiaries, "**Group**") strongly support the principles of transparency, accountability and integrity as set out in the Code of Corporate Governance 2018 (the "**Code**"). This report describes the Company's corporate governance policies and practices which were in place during the financial year ended 30 June 2021 ("**FY2021**") ("**Report**"), with specific reference to the principles and provisions of the Code and the accompanying practice guidance.

The Code aims to promote high levels of corporate governance by putting forth principles of good corporate governance and provisions with which companies are expected to comply. The practice guidance complements the Code by providing guidance on the application of the principles and provisions and setting out best practices for companies.

Pursuant to Rule 710 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), this Report sets out the Group's corporate governance practices for FY2021 with specific reference made to the principles and the provisions of the Code issued on 6 August 2018.

The Company was recently listed on the Catalist board of the SGX-ST on 17 June 2021, and the Board confirms that the Company and Group, have for FY2021 complied with the principles as set out in the Code. The Board also confirms that where there are deviations from the provisions of the Code, explanations for the deviation and how the Group's practices are consistent with the intent of the relevant principle are provided in the sections below:-

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 of the Code: Directors' duties and responsibilities

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

Dr. Yu Lai Boon	Non-Executive Chairman and Independent Director
Mr. Ong Bee Chip	Managing Director
Mdm. Ong Chew Yong	Executive Director
Ms. Tan Poh Hong	Independent Director
Mr. Chan Hiang Tiak	Independent Director

The Board is entrusted with the responsibility for the overall management of the Company.

The principal functions of the Board, in addition to carrying out its statutory responsibilities, *inter alia*, are as follows:

- overseeing and approving the formulation of the Group's overall long-term strategic objectives and directions, corporate strategy and objectives as well as business plans, taking into consideration sustainability issues;
- overseeing and reviewing the management of the Group's business affairs and financial controls, performance and resource allocation, including ensuring that the required financial and human resources are available for the Group to meet its objectives;
- establishing a framework of prudent and effective controls to assess and manage risks and safeguard shareholders' interests and the Group's assets;
- to review the Group's management ("**Management**")'s performance;
- to set the Group's values and standards and ensure that obligations to shareholders and other stakeholders are understood and met;

- to approve the release of the Group's financial results, annual reports and announcements to shareholders;
- to review and approve related party transactions and interested party transactions to ensure compliance with relevant rules and terms stated in shareholders' mandate; and
- to assume the responsibilities for corporate governance.

All Directors recognise that they have to discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. The Board is a representation of the shareholders in the Company and is accountable to them through effective governance of the business. Although the Board has yet to adopt a Code of Conduct and Ethics, all Board members recognise the importance of conducting themselves and carrying out their duties in the best interest of the Company and to avoid placing themselves in any situation where conflict of interest may arise.

Each Director is required to promptly disclose any actual, potential and perceived conflict of interest, in relation to a transaction or proposed transaction with the Group as soon as practicable after the relevant facts have come to his/her knowledge. On an annual basis, each Director is also required to submit details of his associates for the purpose of monitoring interested person transactions. Any Director facing a conflict of interest will recuse himself from the discussions and abstain from participating in any Board decisions and voting on resolutions regarding the matter and refrains from exercising any influence over other members of the Board, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion.

Provision 1.2 of the Code: Induction, Training and Development.

Newly appointed Directors will receive a formal letter explaining their duties and responsibilities, and will undergo orientation and be briefed on the business and governance practices of the Group as well as industry-specific knowledge. As stipulated under Rule 406(3)(a) of the Catalist Rules, Directors who are appointed and who have no prior experience as directors of a listed company in Singapore will have to attend the Listed Entity Director ("**LED**") courses organised by the Singapore Institute of Directors within one (1) year of his appointment. Briefings on the roles and responsibilities as directors of a listed company in Singapore will be conducted for the new appointees. They may also attend courses conducted by other training institutions in areas such as accounting, legal and industry specific knowledge, where appropriate, in connection with their duties.

Each of Dr. Yu Lai Boon and Ms. Tan Poh Hong is currently serving as a director of more than one listed company in Singapore.

Each of Mr. Ong Bee Chip, Mdm. Ong Chew Yong and Mr. Chan Hiang Tiak does not have prior experience as a director of a listed company in Singapore but has been briefed on the roles and responsibilities of a director of a listed company in Singapore. All of them will complete the prescribed mandatory training as specified under Practice Note 4D of the Catalist Rules within twelve (12) months of the Company's listing.

The Independent Directors have visited the Group's operating facilities and met with the Management to gain a better understanding of the Group's business operations and corporate governance practices. The Directors are encouraged to keep themselves abreast of the latest developments relevant to the Group and attendance of appropriate courses and seminars will be arranged and funded by the Company. The external auditors, during their presentation of the audit plan, will update the Directors on the new or revised financial reporting standards on an annual basis. Our Company's Catalist Sponsor, SAC Capital Private Limited, provides updates to the Board whenever there are changes to the listing rules or the Code of Corporate Governance.

The Board recognises the importance of ongoing training and development for the Directors so as to enable them to serve effectively and contribute to the Board. Every Director is provided with opportunities to attend additional training to further enhance their skills in performing their duties as a director, including attending appropriate courses and/or seminars at the Company's expense.

During the financial year, the Directors attended relevant courses and seminars held by the various agencies, including the Singapore Institute of Directors.

Provision 1.3 of the Code: Matters requiring Board's approval

Although the day-to-day management of the Company is delegated to the Executive Directors, the Board has put in place internal guidelines for matters reserved for the Board's approval. Specifically, matters and transactions that require the Board's approval include, among others, the following:

- release of the half year and full year results announcements;
- annual report and financial statements;
- annual budgets and financial plans of the Company;
- business, strategy and capital expenditure budgets;
- convening of shareholders' meetings, circulars to shareholders and related announcements to be submitted to the SGX-ST;
- overall corporate strategy and changes to the corporate structure;
- acquisitions, investments and disposals of assets exceeding a certain threshold;
- share issuances;
- recommendation/declaration of dividends;
- appointment of Directors and key executives, Company Secretary of the Company and terms of reference for the Board Committees;
- review of Directors and key executives' performance and remuneration packages;
- interested person transactions;
- material regulatory matters or litigation; and
- compliance matters associated with the Catalist Rules, Securities and Futures Act or other relevant laws and regulations.

The Board decides on matters requiring its approval and clearly communicates this to the Management in writing.

Provision 1.4 of the Code: Board Committees

To assist the Board in discharging its oversight functions and execution of its responsibilities, the Board has established three Board Committees, comprising an Audit and Risk Management Committee (the "**ARMC**"), a Nominating Committee (the "**NC**") and a Remuneration Committee (the "**RC**") (collectively the "**Board Committees**"). As the Board retains the ultimate responsibility on all decisions made, all matters discussed at the Board Committee meetings are presented and reported to the Board for approval prior to its implementation. These Board Committees function within clearly defined written terms of reference and operating procedures. The terms of reference of the respective Board Committees, which are reviewed by the Board on a regular basis to enhance the effectiveness of these Board Committees. The terms of reference of the respective Board Committees, as well as other relevant information on the Board Committees can be found in the subsequent sections of this Report.

The composition of the Board Committees as at the date of this Report are as follows:-

Name	Audit and Risk Management Committee	Nominating Committee	Remuneration Committee
Dr. Yu Lai Boon	Chairman	Member	Member
Mr. Ong Bee Chip	–	–	–
Mdm. Ong Chew Yong	–	–	–
Ms. Tan Poh Hong	Member	Chairman	Member
Mr. Chan Hiang Tiak	Member	Member	Chairman

All the ARMC, NC, and RC comprised three (3) members, all of whom (including the Chairman) are independent.

Provision 1.5 of the Code: Board and Board Committees Meeting

The Board meets regularly on a bi-annually basis and ad-hoc Board Committee or Board meetings are convened when they are deemed necessary. In between Board meetings, other important matters will be tabled for the Board's approval by way of circulating resolutions in writing.

The Constitution of the Company provides for meetings of the Board to be held by way of telephonic or video conference.

The attendance of the Directors at scheduled Board Committee and Board meetings held since the Company's IPO up to the date of this Report are set out below:

	Board		Audit and Risk Management Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Dr. Yu Lai Boon	1	1	1	1	1	1	1	1
Mr. Ong Bee Chip	1	1	1*	1*	1*	1*	1*	1*
Mdm. Ong Chew Yong	1	1	1*	1*	1*	1*	1*	1*
Ms. Tan Poh Hong	1	1	1	1	1	1	1	1
Mr. Chan Hiang Tiak	1	1	1	1	1	1	1	1

* By invitation

When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company. The NC is of the view that the matter relating to multiple board representations should be left to the judgement of each Director given that time requirements for different board representations vary. As such, the NC and the Board have decided that there is no necessity to determine the maximum number of listed company board representations which a Director may hold.

Provision 1.6 of the Code: Access to information

The Company recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. The Management provides the Board with key information that is complete, adequate and in advance to enable the Directors to make timely decisions, effectively discharge their duties and make a balanced and informed assessment of the performance, position and prospects of the Company. Key information comprises, among others, properly organised board papers (with background or explanatory information relating to the matters brought before the Board, where necessary), updates to Group operations and the markets in which the Group operates, budgets and/or forecasts, management accounts, external auditors' reports and reports on on-going or planned corporate actions. Management provides Directors with information whenever necessary and board papers are sent to Directors prior to each Board and Board Committee meeting. Such board papers usually include half-yearly management accounts, budgets, forecasts and periodic management accounts. In respect of budgets, any material variances between the projections and actual results are disclosed and explained to the Board. Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group's business operations. Management will also provide any additional material information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. All Directors are also furnished with updates on the financial position and any material developments of the Group as and when necessary.

Provision 1.7 of the Code: Access to Management and Company Secretary

The Board has separate and independent access to the Group Financial Controller ("**GFC**") and other key persons of the Management ("**Key Management Personnel**") as and when they are appointed, external advisers (where necessary) and the Company Secretary at all times. The Board will have independent access to professional advice when required at the Company's expense, subject to the approval of the Chairman.

The responsibilities of the Company Secretary include advising the Board on corporate and administrative matters, as well as facilitating orientation and assisting with professional development as required, facilitating the process of appointment of new Directors and upon discretion of the Chairman in ensuring information flow within the Board and its Board Committees and between the Management and Non-Executive Directors. The Company Secretary and/or her representative(s) attends all meetings of the Board and Board committees and ensures that all Board procedures are followed and applicable rules and regulations are complied with. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

Board Composition and Guidance

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

Provision 2.1 of the Code: Director's independence
Provision 2.2 of the Code: Independent directors make up a majority of the Board where the Chairman is not independent
Provision 2.3 of the Code: Non-executive directors make up a majority of the Board

The Board comprises five (5) Directors, of whom three (3) are independent and Non-Executive Directors and the Chairman of the Board is an Independent Director. As such, as at the date of this Report, the Company is in compliance with the Provisions 2.2 and 2.3 of the Code.

The independence of each Director is reviewed annually by the NC and the Board. Each Independent Director is required to complete a checklist annually to confirm his independence based on the guidelines as set out in the Code and the Catalist Rules. The NC adopts the Code's definition of what constitutes an "independent" director in its review. The NC takes into account, among other things, whether a Director has business relationships with the Company, its related companies, its substantial shareholders or its officers, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

Based on the confirmation of independence submitted by the Independent Directors of the Company, the NC has reviewed the independence of the Independent Directors and is satisfied that Dr. Yu Lai Boon, Mr. Chan Hiang Tiak and Ms. Tan Poh Hong are independent in accordance with the Provision 2.1 of the Code and Rule 406(3)(d) of the Catalist Rules having considered the following basis:

(a) The Independent Directors: (i) are not employed by the Company or any of its related corporations for the current or any of the past three financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the RC.

(b) None of the Independent Directors have served on the Board beyond nine years as at 30 June 2021 since their initial appointment as Director of the Company.

(c) None of the Independent Directors and their immediate family members had in the current or immediate past financial year (i) provided or received significant payments or material services aggregated over any financial year in excess of S$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organization which provided or received significant payments or material services aggregated over any financial year in excess of S$200,000 for services rendered.

(d) None of the Independent Directors are directly associated with a substantial shareholder of the Company.

Ms Tan Poh Hong has been an independent director of Sheng Siong Group Ltd. ("**Sheng Siong**") since 5 January 2018. Sheng Siong purchases food products from the Group, and was a major customer of our Group for FY2021. Please refer to the section "General Information on our Group – Major Customers" of the Company's Offer Document dated 8 June 2021 for further information.

The Board and NC (in each case excluding Ms Tan Poh Hong) having considered that (a) Ms Tan Poh Hong is not involved in the management of the day-to-day operations of Sheng Siong; and (b) Ms Tan Poh Hong does not personally receive any direct fees or payment or derive any other benefit arising from the transactions between Sheng Siong and our Group in the ordinary course of business, are satisfied that the relationship described above will not interfere, or be reasonably perceived to interfere, with the exercise of Ms Tan Poh Hong's independent business judgement in the best interests of our Group.

Ms Tan Poh Hong will abstain from participating in the review and approval process at our Board, and also at the board of directors of Sheng Siong, relating to any matters or transactions to be entered into between our Group and Sheng Siong and its subsidiaries.

Save as disclosed, there is no Director who is deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code 2018 and the Catalist Rules that would otherwise deem him not to be independent.

Provision 2.4 of the Code: Board Size and Diversity

The Board has examined its size and is of the view that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Group and the requirements of the Group's business. The NC is of the view that no individual or small group of individuals dominate the Board's decision-making.

The Company currently does not have a formal Board Diversity Policy. However, the Company recognises the benefits of having an effective and diverse Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Board as a group provides an appropriate balance of diversity of skills, experience, gender and knowledge of the Company, with core competencies in accounting and finance, legal expertise, business and management experience, industry knowledge, strategic planning and customer-based experience and knowledge. This enables the Management to benefit from the external and expert perspectives of the Directors who collectively possess the core competencies relevant to the direction and growth of the Group. The Board is committed to ensuring diversity on the Board to avoid groupthink and foster constructive debate.

The key information of the Directors, including their appointment dates, academic and professional qualifications, Board Committees served on, principal commitment(s) and directorships in other listed company(ies) are set out on pages 104 to 114 of this Annual Report.

Provision 2.5 of the Code: Meeting of Independent Directors without Management

Where necessary or appropriate, the Independent Directors and Non-Executive Directors will meet without the presence of the Management, the Executive Director and Non-Executive Directors. The Independent Directors communicate regularly to discuss concerns or matters related to the Group, including the performance and effectiveness of the Management. Where appropriate, Independent Directors provide feedback to the Board after such meetings.

During the FY2021, the Independent Directors met once in the absence of Management.

Chairman and Chief Executive Officer

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

Provision 3.1 of the Code: Separation of the roles of the Chairman and the Chief Executive Officer ("CEO")
Provision 3.2 of the Code: Division of responsibilities between the Chairman and CEO
Provision 3.3 of the Code: Lead Independent Director

There is no Chief Executive Officer in the Company but the Chairman, Dr. Yu Lai Boon and the Managing Director, Mr. Ong Bee Chip are separate persons and have no familial relationship with each other. The roles of the Chairman and the Managing Director are separate and distinct, each having their own areas of responsibilities. No lead independent director has been appointed.

Mr. Ong Bee Chip is responsible for overseeing our Group's business and strategic planning, and overall management of our Group's facilities and maintenance. He is also responsible for our Group's overseas operation and executing expansion plans for growth and development, including sourcing for investment opportunities to promote the growth of our Group's business.

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

The Chairman, in consultation with the Management, ensures:

- that Board meetings are held as and when necessary to enable the Board to perform its duties responsibly, while not interfering with the flow of the Company's operations;
- that the agenda for Board meetings are prepared (with the assistance of the Company Secretary) and ensuring that adequate time is available for discussion of all agenda items;
- ensuring that all agenda items are adequately and openly debated at the Board meetings;
- the exercise of control over the quality, quantity and timeliness of information between the Management and the Board and the facilitation of effective contribution from the Independent Directors;
- effective communication with shareholders; and
- assisting in ensuring that the Group complies with the Code and maintains high standard of corporate governance.

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 of the Code: Role of the NC
Provision 4.2 of the Code: Composition of NC

The NC is responsible for making recommendations on all board appointments and re-nominations, having regard to the contribution and performance of the Director seeking re-election.

As at the date of this Report, all members of the NC, including the Chairman, are independent and the NC comprises the following members:

Ms. Tan Poh Hong	(Chairman)
Mr. Chan Hiang Tiak	(Member)
Dr. Yu Lai Boon	(Member)

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

(a) developing and maintaining a formal and transparent process for director appointments and re-nomination and making recommendations to the Board on director appointment and re-appointment (including the appointment of alternate Directors, if any), and recommending to the Board re-nominations of existing Directors for re-election in accordance with the Company's Constitution, having regard to their competencies, commitment, contribution and performance and taking into consideration the composition and progressive renewal of the Board;

(b) making recommendations to the Board on relevant matters relating to the review of succession plans for the Directors, in particular, for the Chairman and Managing Director as well as for Key Management Personnel;

(c) reviewing and approving any employment of person related to the Directors, Managing Director or substantial shareholders and the proposed terms of their employment;

(d) determining on an annual basis, and as and when circumstances require, whether or not a Director is independent;

(e) in respect of a Director who has multiple board representations on various companies, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments;

(f) reviewing training and professional development programs for the Board;

(g) developing a process for evaluating the performance of the Board, its committees and the Directors and propose objective performance criteria, as approved by the Board, that allows comparison with its industry peers, and address how the Board has enhanced long-term shareholders' value; and

(h) assessing the effectiveness of the Board as a whole and its Board committees and the contribution by the Chairman and each individual Director to the effectiveness of the Board.

Provision 4.3 of the Code: Director appointment and re-appointment

The Company does not have a formal criterion of selection for the appointment of new Director to the Board. When the need for a new Director arises, or where it is considered that the Board would benefit from the services of a new Director with particular skills or to replace a retiring Director, the NC, in consultation with the Board, will determine the selection criteria and will select candidates with the appropriate expertise and experience for the position. In its search and nomination process for new Director, the NC may rely on search companies, personal contacts and recommendations for the right candidates. The NC ensures that the newly appointed Director is aware of their duties and obligations.

Board appointments are made by the Board after the NC has, upon reviewing the resume of the proposed Director and conducting appropriate interviews, recommended the appointment to the Board. The NC is also in charge of re- nominating the Directors, having regard to their contribution and performance. Pursuant to the Constitution of the Company, one-third of the Directors shall retire from office at the Company's annual general meeting every year, provided that all Directors shall retire from office at least once every three years. Newly appointed Director by the Board is required to retire at the next annual general meeting following his appointment. Retiring Director is eligible to offer themselves for re-election. Each member of the NC abstains from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his own performance or re-nomination as Director.

Pursuant to Rule 720(4) of the Catalist Rules, all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. Pursuant to Regulations 96 and 97 the Company's Constitution, at each annual general meeting of the Company ("**AGM**"), at least one-third of the Directors for the time being, or if their number is not three or a multiple of three, the number nearest to one-third but not less than one-third shall retire by rotation and that all Directors shall retire at least once every three (3) years and such retiring Director shall be eligible for re-election.

Pursuant to Regulation 95 of the Company's Constitution, all Directors shall retire and be eligible for re-election at the forthcoming AGM ("**Retiring Directors**"). The Retiring Directors have offered themselves for re-election at the forthcoming AGM. The NC has considered their contributions and performances and recommended to the Board to nominate their re-election at the forthcoming AGM.

Accordingly, the NC has recommended the aforesaid re-election of these five (5) Directors and the Board has accepted the NC's recommendation. In recommending the re-election of these five (5) Directors, the NC has considered the Directors' overall contributions and performance. The details of the Directors seeking for re-election as required under Appendix 7F of the Catalist Rule are set out on pages 104 to 114 of this Annual Report.

Provision 4.4 of the Code: Circumstances affecting Director's independence

As described under Principle 2 of this report, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each Independent Director is required annually to complete a checklist to confirm his independence. Further, the NC determines annually, and as and when circumstances require, whether a Director is independent, taking into consideration the disclosures by the Directors of any relationships with the Company, its related corporations, its substantial shareholders or its officers and the checklist completed by each Independent Director. Having made its review, the NC is of the view that all independent directors have satisfied the criteria for independence.

Provision 4.5 of the Code: Multiple Directorships

The NC ensures that the new Directors are aware of their duties and obligations. For re-nomination and re-appointment of Directors, the NC takes into consideration the competing time commitments faced by Directors and their ability to devote sufficient time and attention to the Group. Each Director is required to declare changes in listed company directorships or other principal commitments during the year to enable the on-going monitoring of the commitment of the Directors to the Company. Aside from taking into account of the number of listed company directorships and other principal commitments of the Directors, the NC also considers the results of the annual evaluation of each Director's effectiveness and the respective Director's conduct at the Board and Board Committees meetings to determine whether the Director is able to discharge his duties diligently. As described under Principle 2 of this report, the NC and the Board have decided that there is no necessity to determine the maximum number of listed company board representations which a Director may hold.

In respect of FY2021, the NC and Board were of the view that each Director has discharged his duties diligently.

As at the date of this Report, the listed company directorships and principal commitments of each Director are set out below:

Name of Director	Position	Present directorship in other listed companies	Present principal commitments*
Dr. Yu Lai Boon	Non-Executive Independent Chairman	Koufu Group Limited TSH Corporation Limited	Nil
Mr. Ong Bee Chip	Managing Director	Nil	OTS Holdings Limited and its subsidiaries
Mdm. Ong Chew Yong	Executive Director	Nil	OTS Holdings Limited and its subsidiaries
Ms. Tan Poh Hong	Independent Director	APAC Realty Limited VICOM Ltd Ann Aik Limited Centurion Corporation Limited Sheng Siong Group Ltd.	Nil
Mr. Chan Hiang Tiak	Independent Director	Nil	PricewaterhouseCoopers LLP

** "**Principal Commitments**" as defined in the Code include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.*

The Board provides for appointment of alternate Director only in exceptional cases such as when a Director has a medical emergency. There is currently no alternate Director on the Board.

Board Performance

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

Provision 5.1 of the Code: Performance criteria and process for evaluation of the effectiveness of the Board
Provision 5.2 of the Code: Disclosure of assessment of the Board, Board Committees and each Director

The Board's performance is linked to the overall performance of the Group. The Board ensures that the Company is in compliance with the applicable laws, and members of our Board are required to act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

The NC is responsible for assessing the effectiveness of the Board, the Board Committees and each individual Director.

The NC has established a review process and proposed objective performance criteria set out in assessment checklists which are approved by the Board. The NC assesses the overall effectiveness of the Board and its committees by having all members of the Board complete an assessment checklist, which takes into consideration factors such as its structure, conduct of meetings, risk management and internal controls, strategic leadership and relationship with the Management. The NC also assesses the Board's performance based on a set of quantitative criteria and financial performance indicators.

The NC assesses the individual Directors' performance by completing an individual Director assessment checklist, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors. The evaluation of individual Directors aims to assess whether each Director continues to contribute effectively and demonstrate commitment to the role, including commitment of time for Board and Board Committee meetings, and any other duties. The Chairman will be briefed on the results of the performance evaluation, and where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors, in consultation with the NC. Each member of the NC shall abstain from deliberating and voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

The performance criteria are not subject to changes from year to year. Nonetheless, where circumstances deem it necessary for any of the criteria to be changed, the Board will justify such changes.

The Board and the NC have endeavoured to ensure that Directors appointed to the Board possess the background, experience, business and finance knowledge and management skills critical to the Group's business. They have also ensured that each Director, with his special contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

As the Company was newly listed on 17 June 2021, no evaluation was conducted for FY2021. The first evaluation of the Board and individual Directors will be conducted for the financial year ending 30 June 2022.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Provision 6.1 of the Code: RC to recommend remuneration framework and packages
Provision 6.2 of the Code: Composition of RC

The RC makes recommendations to the Board on the framework of remuneration and the specific remuneration packages for each Director.

As at the date of this Report, all members of the RC, including the Chairman, are independent and the RC comprises the following members:

Mr. Chan Hiang Tiak	(Chairman)
Ms. Tan Poh Hong	(Member)
Dr. Yu Lai Boon	(Member)

The RC holds at least one meeting in each financial year.

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

(a) reviewing and recommending to the Board a framework of remuneration for the Directors and Key Management Personnel and determining specific remuneration packages of each Director. The RC shall cover all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, awards to be granted under the Company's performance share scheme, and benefits in kind;

(b) reviewing annually the remuneration, bonuses, pay increase and/or promotions of employees who are related to the Directors or substantial shareholders of the Company to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;

(c) reviewing the Company's obligations arising in the event of termination of service contracts entered into between the Group and its Executive Directors or Key Management Personnel, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly onerous to the Group;

(d) if necessary, seeking expert advice within and/or outside the Company on remuneration matters, ensuring that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;

(e) reviewing annually the remuneration package in order to maintain their attractiveness to retain and motivate the Directors and Key Management Personnel and to align the interests of the Directors and Key Management Personnel with the long-term interests of the Company; and

(f) to carry out such other duties in the manner that it deems expedient, subject always to any regulations or restrictions as may be conferred by the board to the RC.

Provision 6.3 of the Code: RC to consider and ensure all aspects of remuneration are fair

The RC considers all aspects of remuneration (including Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination payments) in the review of remuneration packages for the Directors and executive officers with an aim to be fair and to avoid rewarding poor performance, before making any recommendation to the Board.

The Independent Directors receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent and their responsibilities. The Directors' fees are recommended by the RC and endorsed by the Board for approval by shareholders of the Company at the annual general meeting. Except as disclosed in this Annual Report, the Independent Directors did not receive any other remuneration from the Company.

The Executive Directors have each entered into a service agreement with the Company ("**Service Agreements**"), under which the terms of their employment are stipulated, including a monthly base salary, annual wage supplement and benefits commensurate with the position. The Executive Directors also participate in a profit-sharing scheme that is pegged to the Group's profitability. The Executive Directors do not receive Directors' fees and there are no post retirement and severance benefits except the common practice of giving notice or salary in lieu of notice in the event of termination. The Service Agreements is valid for 3 years and automatically renewed annually.

Provision 6.4 of the Code: Expert advice on remuneration

The members of the RC are familiar with executive compensation matters as they have prior experience in managing businesses and/or are holding other directorships. The RC has access to expert advice regarding executive compensation matters, if required. The Board did not engage any external remuneration consultant to advise on remuneration matters for FY2021.

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 and 7.3 of the Code: Remuneration of Executive Directors and key management personnel are appropriately structured to link rewards to performance.

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and Key Management Personnel. The remuneration package is designed to allow the Company to better align the interests of the Executive Directors and Key Management Personnel with those of shareholders, and link rewards to corporate and individual performance. The Company also ensures that the remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the Company and Key Management Personnel to successfully manage the Company for the long term.

Remuneration for the Executive Directors comprises a basic salary component and a variable component that is pegged to the performance of the Group as a whole. Having reviewed the variable component in the remuneration packages of the Executive Directors and Key Management Personnel, the RC is of the view that it is not necessary to institute contractual provisions to reclaim incentive components of remuneration from Executive Directors and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. The Company believes that there are alternative legal avenues to these specific contractual provisions that will enable the Company to recover financial losses arising from such exceptional events from the Executive Directors and Key Management Personnel.

The Company does not offer any employee share scheme. The RC may consider other forms of long-term incentive schemes for Key Management Personnel when necessary.

Provision 7.2 of the Code: Remuneration of Non-Executive Directors

The Independent Directors receive Directors' fees for their effort and time spent, responsibilities and contribution to the Board, subject to shareholders' approval at annual general meetings. The Independent Directors are not over-compensated to the extent that their independence may be compromised.

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 and 8.3 of the Code: Remuneration disclosures of Directors and Key Management Personnel

The Board is of the view that full disclosure of the specific remuneration of each individual Director and Key Management Personnel is not in the best interests of the Company, taking into account the sensitive nature of the subject, the competitive business environment the Group operates in and the potential negative impact such disclosure will have on the Group.

Remuneration of the Executive Directors are stipulated in their respective Service Agreements with the Company. Under the provisions of the Service Agreements, the Executive Directors shall be paid a monthly base salary and annual wage supplement and be provided with benefits commensurate with the position. The Executive Directors participate in a profit-sharing scheme that is pegged to the Group's profitability. The Executive Directors do not receive Directors' fees and there are no post retirement and severance benefits except the common practice of giving notice or salary in lieu of notice in the event of termination.

The level and mix of remuneration paid or payable to the Executive Directors for FY2021 are set out as follows:

		% Breakdown of Remuneration		
Name of Director	**Remuneration band**	**Base salary**	**Bonus/Profit Sharing**	**Benefits in kind**
Mr. Ong Bee Chip	Below S$250,000	78.6	21.4	–
Mdm. Ong Chew Yong	Below S$250,000	78.6	21.4	–

Independent Directors are paid only Directors' fees, subject to approval at the annual general meeting. The fees paid to Independent Directors comprise a basic fee, a fee for chairing a committee and a fee for being a member of the committee. The fees paid to the Independent Directors for FY2021 are set out as follows:-

Name of Independent Director	**Directors' fees**
Dr. Yu Lai Boon	S$24,000
Ms. Tan Poh Hong	S$19,000
Mr. Chan Hiang Tiak	S$19,000

The Company only has 2 Key Management Personnel (who are not also Directors) for FY2021 as set out below:-

		% Breakdown of Remuneration		
Name of Key Management Personnel	**Remuneration band**	**Basic salary**	**Bonus/Profit Sharing**	**Benefits in kind**
Mr. Teh Chong Piow	Below S$250,000	75.7	24.3	–
Mr. Toh Kiam Hwee	Below S$250,000	73.9	26.1	–

The aggregate remuneration paid to the above key management personnel of the Group (excluding the Directors) in FY2021 amounted to S$245,939.

Provision 8.2 of the Code: Remuneration of employees who are substantial shareholders, immediate family members of Director, Managing Director or substantial shareholder

The Sales Director, Mr. Ong Bee Song is a substantial shareholder of the Company in FY 2021 and is the brother of Mr. Ong Bee Chip, the Managing Director and Mdm. Ong Chew Yong, the Executive Director. His remuneration for FY2021exceeded S$100,000 and is set out as below:

		% Breakdown of Remuneration		
Name of employee	**Remuneration band**	**Base salary**	**Bonus**	**Benefits in kind**
Mr. Ong Bee Song	S$100,000 to below S$200,000	82.5	17.5	–

Save as disclosed above, there is no other employee who is a substantial shareholder of the Company or an immediate family member of a Director, the Managing Director or a substantial shareholder of the Company and whose remuneration exceeded S$100,000 in FY2021.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

Provision 9.1 of the Code: Board determines the nature and extent of risks

The Board and Management acknowledge that it is responsible for the overall risk management and internal control framework, but recognise that no cost-effective control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss, human error, fraud and lapse in judgement.

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

Provision 9.2 of the Code: Assurance from CEO, CFO and other key management personnel

The Board has received assurance from (a) the Managing Director and the Group Financial Controller that the financial records have been properly maintained and the financial statements for FY2021 give a true and fair view of the Company's operations and finances; and (b) the Managing Director and Key Management Personnel regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Based on the assurance from the Managing Director, the Group Financial Controller and Key Management Personnel referred to in the preceding paragraph, the various internal controls put in place by the Group, the work performed and reports submitted by the external and internal auditors of the Group and the reviews carried out by the Board and the ARMC, the Board, with the concurrence of the ARMC, is satisfied with the adequacy and effectiveness of the Group's risk management and internal control systems (including financial, operational, compliance and information technology controls and risk management systems) as at 30 June 2021.

Audit and Risk Management Committee

Principle 10: The Board has an Audit and Risk Management Committee ("ARMC") which discharges its duties objectively.

Provision 10.1 of the Code: Duties of ARMC
Provision 10.2 of the Code: Composition of ARMC
Provision 10.3 of the Code: ARMC does not comprise former partners or directors of the Company's auditing firm

As at the date of this Report, all members of the ARMC, including the Chairman, are independent and the ARMC comprises the following members:

Dr. Yu Lai Boon	(Chairman)
Ms. Tan Poh Hong	(Member)
Mr. Chan Hiang Tiak	(Member)

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

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

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

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

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

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

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

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

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

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

(i) reviewing and ratifying where appropriate any interested person transactions;

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

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

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

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

(n) reviewing the assurance from the Managing Director and the Group Financial Controller on the financial records and financial statements;

(o) reviewing the assurance from the Managing Director and Key Management Personnel regarding the adequacy and effectiveness of the Company's risk management and internal control systems; and

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

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

The Group has implemented a whistle-blowing policy which aims to provide an avenue for employees and external parties to raise concerns about misconduct or improprieties in the Group and at the same time assure them that they will be protected from victimisation for whistle-blowing in good faith. Cases that are significant will be reviewed by the ARMC for adequacy or investigation actions and resolutions. Details of the whistle-blowing policy are disseminated to the employees of the Group, and is available on the Company's website. All concerns about possible improprieties can be communicated directly to the ARMC.

As at the date of this Annual Report, there were no complaints, concerns of issues and whistleblowing reports received through the whistle-blowing channel.

The external auditors update the ARMC on any changes in accounting standards impacting the financial statements of the Group before an audit commences. Significant matters that were discussed with the Management and the external auditors have been included as key audit matters in the Auditors' Report for FY2021 on pages 43 to 45 of this Annual Report.

Significant matters	How does the Audit and Risk Management Committee address the matter
Assessment of expected credit loss allowance on trade receivables	Trade receivables amounted to S$5.98 million as at 30 June 2021. The ARMC considered management's approach, methodology and judgement pertaining to revenue recognition and the estimate of trade receivables impairment allowance. The ARMC also considered the observations and findings presented by the External Auditor with reference to the payment track records of trade debtors and adequacy of allowance for impairment of trade receivables. The above procedures provided the ARMC with the assurance and the ARMC concurred with the management's conclusion that allowance for impairment of trade receivables is adequately made as at 30 June 2021 and the relating disclosures in the financial statements are appropriate.
Assessment of impairment allowance of inventories	Inventories amounted to S$7.82 million as at 30 June 2021. The ARMC considered management's approach, methodology and judgement applied to the estimate of impairment allowance for slow-moving and obsolete inventories. The ARMC also considered the observation and findings presented by the External Auditor with reference to the adequacy of allowance for impairment of inventories. The above procedures provided the ARMC with the assurance and the ARMC concurred with the management's conclusion that allowance for impairment of inventories is adequately made as at 30 June 2021.

The ARMC undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit fees paid to them. The ARMC received an audit report from the external auditors setting out the non-audit services provided and the fees charged for FY2021. A breakdown of the audit and non-audit fees paid to the Company's auditors is disclosed on page 33 of this Annual Report.

Having undertaken a review of the non-audit services provided during FY2021, the ARMC is of the view that the objectivity and independence of the external auditors are not in any way impaired by reason of their provision of non-audit services to the Group.

The ARMC reviews the independence of the external auditors annually. In the selection of suitable auditing firms, the ARMC takes into consideration several factors such as the adequacy of the resources, experience of the accounting auditing firm, the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the audit and its ability to provide audit service to our foreign subsidiaries and associated companies. The selected auditing firm based in Singapore is engaged as auditors for the Company as well as our Singapore-incorporated subsidiaries.

Ms. Pang Hui Ting, the engagement partner-in-charge has been the audit partner from RSM Chio Lim LLP responsible for the audit of the Company since the financial year ended 30 June 2016. As FY2021 is the financial year that the Company is listed, this will be the last financial year in which she is the engagement partner-in-charge. Accordingly, the Company is in compliance with Rules 712, 713 and 715 of the Catalist Rules.

The aggregate amount of fees paid/payable to the external auditors for the audit of the financial statements of the Group for FY2021 is S$119,000. The total non-audit fees paid/payable to the external auditors for FY2021 is S$210,000, of which S$194,000 was in relation to the IPO of the Company while the remaining S$16,000 was mainly for tax agent services.

The ARMC has reviewed the non-audit services provided by the external auditors for FY2021 and is satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the external auditors as these services were provided in majority in connection with the Company's Listing. Such fees are one off and non-recurring.

Having reviewed, amongst others, the scope and quality of the audit and independence of the external auditor, the ARMC has recommended and the Board has approved the nomination for re-appointment of RSM Chio Lim LLP as the external auditors of the Company at the forthcoming annual general meeting.

Provision 10.4 of the Code: Internal Audit Function

The Company outsources the internal audit function to Yang Lee & Associates ("**YLA**" or "**IA**") to perform the review and test of controls of the Group's key processes. The IA reports directly to the Chairman of the ARMC, which also decides on the appointment, termination and remuneration of the IA. The IA has full access to the Company's documents, records, properties and personnel, including the ARMC, and has appropriate standing within the Company.

YLA is a professional service firm that specialises in the provision of Internal Audit, Enterprise Risk Management and Sustainability Reporting advisory services. The firm was set up in the year 2005 and currently maintains a diverse outsourced internal audit portfolio of SGX-ST listed companies across different industries including distribution, manufacturing, services, food & beverage, trading, retail and property development industries. YLA is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with relevant qualifications such as the Certified Internal Auditor qualification with the Institute of Internal Auditors. The Company's engagement with YLA stipulates that its work shall be guided by the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The IA plans its internal audit schedules in consultation with, but independent of, the Management. The ARMC will review the activities of the IA, including overseeing and monitoring of the implementation of improvements required on internal control weaknesses identified.

On an annual basis, the IA prepares and executes a risk-based audit plan approved by the ARMC, so as to review the adequacy and effectiveness of the system of internal controls of the Group. Key audit findings are presented to the ARMC and the results of the findings are also shared with the external auditor.

YLA completed one review during FY2021 as part of the Company's initial public offer application. The ARMC approved the IA report and the Management has adopted key recommendations of the IA as set out in the IA's report.

The IA engagement team comprises two Directors, a Senior Manager, an Assistant Manager and supported by two Associates. Each of the two Directors has more than 20 years of relevant experience whilst the Senior Manager has approximately 15 years of relevant experience.

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

Provision 10.5 of the Code: ARMC meets with the auditors without the presence of Management annually

The ARMC endeavors to meet at least once a year with the External and Internal Auditors without the presence of the Management so that any concern and/or issue can be raised directly and privately. For FY2021, the ARMC has met with the External and Internal Auditors without the presence of the Management.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

Provision 11.1 of the Code: Shareholder rights

The Company supports the Code's principle to encourage communication with and participation by shareholders. Shareholders are informed of general meetings through notices published in the newspapers, through reports or circulars sent to all shareholders and via SGXNet. Shareholders are encouraged to attend the annual general meeting to ensure a greater level of shareholder participation.

Provision 11.2 of the Code: Resolutions

All resolutions are put to vote by poll and shareholders are entitled to vote in accordance with established voting rules and procedures. Each distinct issue is proposed as a separate resolution at general meetings. All resolutions proposed at general meetings shall be put to vote by way of a poll pursuant to Rule 730A(2) of the Catalist Rules. All votes cast, for or against or abstain, and the respective percentages, in respect of each resolution are tallied and disclosed at the meeting and an announcement of the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentage will be released via SGXNet after the general meetings.

Provision 11.3 of the Code: Attendance at general meetings

All Directors, in particular the Chairman of the Board, the respective Chairman of ARMC, NC and RC will attend the general meetings of shareholders, and the external auditor will also be present to assist in addressing queries from shareholders relating to the conduct of audit and the preparation and content of the auditors' report.

Provision 11.4 of the Code: Voting procedures

At general meetings, all shareholders are encouraged to attend, participate effectively and vote in person or by proxy. The Constitution allows a shareholder of the Company to appoint up to two proxies to attend the annual general meeting and vote in place of the shareholder, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act). Where the member is a Central Depository (Pte) Ltd (or its nominee as notified in writing to the Company), it can appoint more than two (2) proxies. Proxies need not be a shareholder of the Company. Shareholders are informed of such meetings through the annual report or circulars sent to all shareholders, notices published in the newspapers and announcements released via SGXNet. Shareholders will be briefed on the rules governing such meetings and voting procedures of the general meetings. An independent polling agent is appointed by the Company for general meetings who will explain the voting procedures that govern the general meetings of shareholders. Results of voting are announced on a timely manner via SGXNet. A relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder.

The Company's Constitution allows a shareholder who is unable to vote in person at general meeting to vote in absentia, such as via mail, electronic mail or facsimile. The Board does not implement absentia-voting methods by mail, electronic mail or facsimile, until issues on security and integrity are satisfactorily resolved.

In view of the current COVID-19 situation, the forthcoming annual general meeting to be held in respect of FY2021 (the "**AGM**") will be convened and 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 ("**Order**") regardless what the issuers' constitutive documents stipulate.

Alternative arrangements relating to attendance at the AGM via electronic means i.e. live audio-visual webcast or live audio-only stream, submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM (if any) and appointing the Chairman of the AGM as the proxy at the AGM, will be put in place.

Provision 11.5 of the Code: Minutes of general meeting

The Company Secretary will prepare the minutes of general meetings, including relevant substantial comments or queries from shareholders relating to the agenda of the meeting and responses from the Board or the Management. These minutes are available to shareholders on SGXNet and/or at the Company's website as soon as practicable.

For FY2021, in complying with the requirements stipulated in the First Schedule of the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020 and the Order, the Company will publish the minutes of the AGM to be held on 29 October 2021 on SGXNet and/or the Company's website within one month after the AGM. For FY2021, in accordance with the COVID-19 (Temporary Measures) Act 2020 and the Order, the Company will apply and adopt the alternative arrangements for the convening, holding and conducting of the AGM, as set out in the second column of the First Schedule of the Order.

Provision 11.6 of the Code: Dividend policy

The Company does not have a formal dividend policy. Nonetheless, the Management will make appropriate recommendation to the Board for approval after reviewing the performance of the Company in the relevant financial year and the form, frequency and amount of dividends will depend on the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate. Any dividend declaration will be communicated to the shareholders via announcement through SGXNet. However, as stated in the Company's Offer Document dated 8 June 2021, the Directors intend to recommend and distribute dividends of not less than 50.0% of our net profit attributable to owners of our Company for FY2021 (excluding the interim dividends of S$1.0 million declared in respect of FY2021) and not less than 40% of our net profit attributable to owners of our Company for FY2022 as a way to reward Shareholders for participating in our Group's growth.

The Board is pleased to recommend a final tax exempt (one-tier) dividend of 0.70 Singapore cents per share for FY2021 ("**Final Dividend**") which is subject to the shareholders' approval at the forthcoming AGM to be held on 29 October 2021. This is in line with the commitment communicated in the Offer Document as stated above.

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 of the Code: Communication

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

The Company's half year and full year results announcements, corporate presentations, announcements and press releases are issued via SGXNet. Shareholders have access to information on the Group via the Company's website. The Company discloses all material information on a timely basis to all shareholders.

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

Provision 12.2 of the Code: Investor Relations Policy
Provision 12.3 of the Code: Investor engagement

The Company currently does not have an Investor Relations Policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to the shareholders. The Company does not practice selective disclosure. In line with continuous obligations of the Company pursuant to the SGX-ST Listing Manual and the Companies Act (Cap 50) of Singapore, the Board's policy is that all shareholders should be equally and timely informed of all major developments that will impact the Company or the Group. Disclosure of information is made

through announcements released to the SGX-ST, the Company's annual reports, circulars, press releases, as well as on the corporate website www.ots-holdings.com which has a dedicated investor relations section.

Shareholders and investors can also contact the Company via email address: enquiry@ots-holdings.com that is designed to facilitate regular and effective communication. The Company endeavours to respond to shareholder queries promptly.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

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

Provision 13.1 and 13.2 of the Code: Engagement with material stakeholder groups
Provision 13.3 of the Code: Corporate website to engage stakeholders

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

The Company maintains its Company's website to communicate and engage with the stakeholders. In addition, the Group will be issuing its first sustainability report in due course to keep stakeholders informed on the commitment made by the Company in fostering the creation of long-term value for the stakeholders and sustainable development of the global economy.

Stakeholders who wish to know more about the Group such as our business, industry, performance or sustainability practices can visit our website at https://ots-holdings.com.

DEALING IN SECURITIES

The Company has adopted an internal compliance code to provide guidance to the Directors, officers and all employees of the Group with regard to dealing in the Company's securities, pursuant to Rule 1204(19) of the Catalist Rules. The Directors, officers and employees of the Company are also expected to observe insider-trading laws at all time and shall not deal in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information.

The Company shall not deal in and prohibits dealings in its shares by its Directors, officers and employees during the period commencing one (1) month before the announcement of the Company's half-year and full-year financial results, and ending on the date of the announcement of the financial results.

The Board confirms that, as at the date of this Report, the Company has complied with Rule 1204(19) of the Catalist Rules.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the ARMC, and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

The aggregate value of interested person transactions entered during FY2021 were as follows:-

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year ended 30 June 2021 under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions during the financial year ended 30 June 2021 conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Swee Heng Bakery Pte Ltd ("**Swee Heng**")	Swee Heng is an associate of the Company's Directors, Ong Bee Chip and Ong Chew Yong, and the Group's Controlling Shareholder, Ong Bee Song, being a company in which Ong Chu Eng (the sister of Ong Bee Chip, Ong Bee Song and Ong Chew Yong) holds a 50.0% shareholding interest and Ng Chai Huat (the brother-in-law of Ong Bee Chip, Ong Bee Song and Ong Chew Yong) holds a 30.0% shareholding interest. Accordingly, Swee Heng is deemed as an Interested Person.	Nil	S$1,221,574

MATERIAL CONTRACTS

Save for the Service Agreements between the Executive Directors and the Company and transactions as disclosed in the "**Interested Person Transactions**" section above, there were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Managing Director, any director, or controlling shareholder.

NON-SPONSOR FEES

With reference to Rule 1204(21) of the Catalist Rules, non-sponsorship fees amounting to S$671,500 were paid to its sponsor, SAC Capital Private Limited in FY2021, in connection with the listing of the Company on the Catalist.

USE OF IPO PROCEEDS

As at the date of this Report, the status on the use of the Listing net proceeds is as follows:

	Amount allocated $'000	Amount utilised $'000	Balance $'000
Improvement and/or expansion of production efficiency and capacities, including the acquisition of new machineries and equipment	2,000	(631)	1,369
Expansion of our overseas operations, including the initial investment and set up costs of Philippines	2,500	–	2,500
Developing new products and engaging in research and development	500	165	335
General working capital purposes	1,562	(16) [(a)]	1,546
	6,562	(812)	5,750

The use of the Listing net proceeds is in accordance with the stated use and the percentage allocated in the offer document dated 8 June 2021.

Note:

(a) Net proceeds used for general working capital purposes are mainly payments to trade suppliers.

The directors of the Company are pleased to present the accompanying financial statements of the Company and of the Group for the reporting year ended 30 June 2021.

The Company was known as OTS Holdings Pte. Ltd. and was changed to OTS Holdings Limited on 1 June 2021 upon its conversion to a public limited company.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group for the reporting year covered by the financial statements or consolidated financial statements; and

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

The board of directors approved and authorised these financial statements for issue.

2. Directors

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

Ong Bee Chip	(Managing Director, appointed on 3 March 2015)
Ong Chew Yong	(Executive Director, appointed on 3 March 2015)
Yu Lai Boon	(Non-Executive Chairman and Independent Director, appointed on 19 May 2021)
Chan Hiang Tiak	(Independent Director, appointed on 19 May 2021)
Tan Poh Hong	(Independent Director, appointed on 19 May 2021)

3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the reporting year were not interested in shares in or debentures of the Company as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act, Chapter 50 (the "**Act**") except as follows:

Name of directors and company in which interests are held	**At the date of appointment**	**At end of the reporting year**
Ultimate parent company	Number of shares of no par value	
BCS Development Pte. Ltd.		
Ong Bee Chip	500	7,298,807
Ong Chew Yong	167	2,437,319

3. Directors' interests in shares and debentures (cont'd)

Name of directors and companies in which interests are held	Direct interests		Deemed interests	
	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
The Company	Number of shares of no par value			
Ong Bee Chip	7,385,544	8,932,608	–	160,789,670
Ong Chew Yong	2,461,915	2,929,895	–	30,000

By virtue of section 7 of the Act, Ong Bee Chip is deemed to have an interest in all the related body corporates of the Company.

The directors' interests as at 21 July 2021 were the same as those at the end of the reporting year.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable 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.

5. Options

During the reporting year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

At the end of the reporting year, there were no unissued shares of the Company under option.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

6. Report of Audit and Risk Management Committee

The members of the Audit and Risk Management Committee ("**ARMC**") at the date of this report are as follows:

Yu Lai Boon (Non-Executive Chairman and Independent Director)
Chan Hiang Tiak (Independent Director)
Tan Poh Hong (Independent Director)

All members of ARMC are independent directors.

6. Report of Audit and Risk Management Committee (cont'd)

The ARMC performs the functions specified by section 201B (5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan;
- Reviewed with the independent external auditor their evaluation of the Company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them;
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor;
- Reviewed the financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the ARMC are described in the report on Corporate Governance included in the annual report of the Company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provide non-audit services.

The ARMC has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as the independent auditor for the ensuing year at the forthcoming annual general meeting of the Company.

Further details regarding the ARMC are disclosed in the Corporate Governance Report.

7. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors, and reviews performed by management, the ARMC and the board are of the opinion that the Company's internal controls, addressing financial, operational, compliance risks and information technology, are adequate and effective as at 30 June 2021.

8. Subsequent developments

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 29 August 2021, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors

.....	.....
Ong Bee Chip	Ong Chew Yong
Director	Director

13 October 2021

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of OTS Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2021, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting 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 and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "**Act**") and the Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting 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 Company 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 ("**KAM**") are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting 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.

Key audit matters (cont'd)

(1) Assessment of expected credit loss allowance on trade receivables

Refer to Note 2 for the relevant accounting policy and Note 20 and Note 31D for the breakdown in trade receivables and credit risk of the Group respectively. Also refer to the Audit and Risk Management Committee ("**ARMC**") section in the Corporate Governance Statement of the annual report for responses of the ARMC to the reported KAMs.

Key audit matter

As at 30 June 2021, the carrying amount of the Group's trade receivables amounted to $5,982,000. This represents approximately 20% of total current assets on the consolidated financial statements and was significant to the Group. The Group applied the simplified approach in calculating expected credit loss ("**ECL**") and recognised loss allowance based on lifetime expected losses at each reporting date. Trade receivables that are credit impaired are assessed for impairment by making debtor-specific assessment. The Group provides for lifetime expected credit losses using a provision matrix. The provision rates are determined based on the Group's historical default rates analysed in accordance to days past due by grouping customers based on customer profiles, adjusted for current and forward-looking information. Given the magnitude and that impairment assessment of trade receivables requires significant management judgment, we determined that this is a key audit matter.

How we addressed the matter in our audit

Our audit procedures included (a) assessing the recoverability of the significant aged debts, by discussing with management, checking subsequent collections and corroborating to the historical payment records; and (b) assessing whether disclosures in respect of the credit risk of trade receivables is appropriate.

For ECL, our audit procedures included (a) reviewing management's assessment of ECL; and (b) assessing the measurement of the expected credit loss allowance. An impairment allowance is provided if necessary.

We also evaluated the qualitative adjustment to the allowance and challenged the reasonableness of the key assumptions in determining the allowance.

We assessed the adequacy of the disclosures in the financial statements.

Key audit matters (cont'd)

(2) Assessment of impairment allowance of inventories

Refer to Note 2 for the relevant accounting policy and Note 19 for the breakdown in inventories at the reporting year end. Also refer to the ARMC section in the Corporate Governance Statement of the annual report for responses of the ARMC to the reported KAMs.

Key audit matter

As at 30 June 2021, the carrying amount of the Group's inventories amounted to $7,815,000. This represents approximately 26% of total current assets on the consolidated financial statements and was significant to the Group. The carrying amount of inventories may not be recoverable in full if those inventories become slow moving, or if their selling prices have declined below carrying amounts.

The estimate of allowance for slow moving inventories is based on the expiry of these inventories, prevailing market conditions in the industry and historical allowance experience which requires management's judgement. This methodology relies upon assumptions made in determining appropriate allowance of inventories.

How we addressed the matter in our audit

As part of the audit, on sampling basis, our audit procedures included (a) the checking of the net realisable value of the inventories by considering post year end sales to identify any further sales made at a loss; (b) reviewing the inventory turnover days and aging of the inventories to assess if there were any significant built up of aged inventories and assessing the reasonableness of the allowance for slow moving inventories; and (c) analysed the utilisation rate for those inventories will be expiring in six months subsequent to year end.

We assessed the adequacy of the disclosures in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the statement by directors 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of OTS HOLDINGS LIMITED

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 the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

(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.

Auditor's responsibilities for the audit of the financial statements (cont'd)

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

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

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

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Pang Hui Ting.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

13 October 2021

Engagement partner – effective from year ended 30 June 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 30 June 2021

	Notes	Group 2021 $'000	Group 2020 $'000
Revenue	5	38,506	34,535
Cost of sales		(26,719)	(24,287)
Gross profit		11,787	10,248
Other income and gains	6	995	824
Marketing and distribution costs	7	(2,128)	(2,074)
Administrative expenses	8	(5,117)	(4,194)
Finance costs	10	(281)	(261)
Other losses	6	(1,263)	(80)
Share of loss from joint venture	18	(115)	(73)
Profit before income tax		3,878	4,390
Income tax expense	11	(889)	(839)
Profit for the year		2,989	3,551
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of income tax		(27)	(12)
Other comprehensive loss for the year, net of income tax		(27)	(12)
Total comprehensive income for the year		2,962	3,539
		Cents	**Cents**
Basic and diluted earnings per share (Note 13)		1.66	1.99

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

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2021

	Notes	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	10,897	11,100	140	215
Right-of-use assets	15	3,317	3,395	–	–
Intangible assets	16	–*	–*	–	–
Investment in subsidiaries	17	–	–	14,771	14,771
Investment in joint venture	18	760	425	950	500
Other non-financial assets	21	–	51	–	–
Total non-current assets		14,974	14,971	15,861	15,486
Current assets					
Inventories	19	7,815	9,954	–	–
Trade and other receivables	20	5,982	6,041	338	244
Other non-financial assets	21	545	285	26	6
Cash and cash equivalents	22	15,867	5,044	9,030	168
Total current assets		30,209	21,324	9,394	418
Total assets		45,183	36,295	25,255	15,904
EQUITY AND LIABILITIES					
Equity					
Share capital	23	22,469	14,771	22,469	14,771
Retained earnings		7,211	5,226	941	524
Foreign currency reserve		(40)	(13)	–	–
Equity, attributable to equity holders of the parent, total		29,640	19,984	23,410	15,295
Non-current liabilities					
Deferred tax liabilities	11	435	241	–	–
Provision	24	588	588	–	–
Loans and borrowings	25	3,238	3,904	–	–
Lease liabilities	26	3,175	3,278	–	–
Other non-financial liabilities	27	105	218	6	15
Total non-current liabilities		7,541	8,229	6	15
Current liabilities					
Income tax payable		508	139	–	–
Trade and other payables	28	5,979	5,962	1,831	581
Loans and borrowings	25	1,084	1,352	–	–
Lease liabilities	26	317	267	–	–
Other non-financial liabilities	27	114	362	8	13
Total current liabilities		8,002	8,082	1,839	594
Total liabilities		15,543	16,311	1,845	609
Total equity and liabilities		45,183	36,295	25,255	15,904

* Below $1,000

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

STATEMENTS OF CHANGES IN EQUITY

Year Ended 30 June 2021

Group	Total equity $'000	Share capital $'000	Retained earning $'000	Foreign currency reserve $'000
Current year				
Opening balance at 1 July 2020	19,984	14,771	5,226	(13)
Changes in equity				
Total comprehensive income for the year	2,962	–	2,989	(27)
Issue of new shares pursuant to Initial Public Offering ("**IPO**")	8,130	8,130	–	–
Capitalisation of IPO expenses	(432)	(432)	–	–
Dividend payable (Note 12)	(1,004)	–	(1,004)	–
Closing balance at 30 June 2021	29,640	22,469	7,211	(40)
Previous year				
Opening balance at 1 July 2019	16,962	14,771	2,192	(1)
Changes in equity				
Total comprehensive income (loss) for the year	3,539	–	3,551	(12)
Dividend payable (Note 12)	(517)	–	(517)	–
Closing balance at 30 June 2020	19,984	14,771	5,226	(13)

Company	Total equity $'000	Share capital $'000	Retained earning $'000
Current year			
Opening balance at 1 July 2020	15,295	14,771	524
Changes in equity			
Total comprehensive income for the year	1,421	–	1,421
Issue of new share pursuant to Initial Public Offering ("**IPO**")	8,130	8,130	–
Capitalisation of IPO expenses	(432)	(432)	–
Dividend payable (Note 12)	(1,004)	–	(1,004)
Closing balance at 30 June 2021	23,410	22,469	941
Previous year			
Opening balance at 1 July 2019	15,241	14,771	470
Changes in equity			
Total comprehensive income for the year	571	–	571
Dividend payable (Note 12)	(517)	–	(517)
Closing balance at 30 June 2020	15,295	14,771	524

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 30 June 2021

	Group	
	2021 $'000	2020 $'000
Cash flows from operating activities		
Profit before income tax	3,878	4,390
Adjustments for:		
Amortisation of deferred capital grants	(123)	(124)
Depreciation of property, plant and equipment	1,091	1,045
Depreciation of right-of-use assets	322	286
Interest income	(7)	(7)
Interest expense	281	261
Gain on disposal of plant and equipment	(35)	(79)
Plant and equipment written-off	89	1
Share of loss from equity-accounted joint venture	115	73
Net effect of exchange rate changes in consolidating subsidiaries	(22)	(3)
Operating cash flows before changes in working capital	5,589	5,843
Inventories	2,139	(5,276)
Trade and other receivables	(179)	(1,769)
Other non-financial assets	(260)	160
Trade and other payables	(1,104)	2,818
Net cash flows from operations before interest and tax	6,185	1,776
Income taxes (paid) refunded	(326)	8
Net cash flows from operating activities	5,859	1,784
Cash flows used in investing activities		
Purchase of plant and equipment	(989)	(476)
Disposal of plant and equipment	42	94
Other non-financial assets, non-current	51	(51)
Investment in a joint venture	(450)	(500)
Interest received	7	7
Net cash flows used in investing activities	(1,339)	(926)
Cash flows from financing activities		
Dividend paid to equity shareholders	(1,521)	–
Increase in new borrowings	500	2,750
Repayment of loans and borrowings	(1,434)	(452)
Proceed from share subscription (net of IPO expenses capitalised)	7,698	–
Increase in other non-financial liabilities	–	27
Lease payments – principal and interest portion paid	(472)	(535)
Net movements in amount due to related parties	1,638	–
Interest paid	(106)	(87)
Net cash flows from financing activities	6,303	1,703
Net increase in cash and cash equivalents	10,823	2,561
Cash and cash equivalents, statement of cash flows, beginning balance	5,044	2,483
Cash and cash equivalents, statement of cash flows, ending balance (Note 22)	15,867	5,044

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

1. General

OTS Holdings Pte. Ltd. (the "**Company**") was incorporated on 3 March 2015 under the Companies Act as a private limited company. It is domiciled in Singapore. On 1 June 2021, the Company was converted to a public company limited by shares and changed its name to OTS Holdings Limited. On 17 June 2021, the Company was listed on the Catalist Board (the "**Catalist**") of Singapore Exchange Securities Trading Limited.

The financial statements are presented in Singapore dollar and they cover the Company (referred to as "**parent**") and its subsidiaries. All financial information have been rounded to the nearest thousand ("**000**"), except when otherwise stated.

The board of directors approved and authorized these financial statements for issue on the date of the statement by directors.

The registered office and principal place of business of the Company is located at 30 Senoko South Road, Singapore 758088. The Company is situated in Singapore.

The principal activity of the Company is those of an investment holding company. The principal activities of the subsidiaries are described in Note 17 to the financial statements.

Uncertainties relating to the Covid-19 pandemic

Management has not identified any material uncertainties resulting from the Covid-19 pandemic and the aftermath of the pandemic surrounding the reporting entity's business, and accordingly none is disclosed in these financial statements.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") and the related interpretations to SFRS(I) ("**SFRS(I) INT**") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 and with the International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**").

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the Group's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 2C below, where applicable.

1. General information (cont'd)

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost and is subsequently accounted as equity instruments financial assets in accordance with the financial reporting standards on financial instruments.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the Company's separate statement of profit or loss and other comprehensive income is not presented.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sale of goods

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Rental income

Rental income is recognised from operating leases as income on either a straight-line basis or another systematic basis over the term of the lease.

Miscellaneous income

Revenue from miscellaneous income is recognised when the Company satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate.

The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the financial year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the financial year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Translation of financial statements of other entities

Each company in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant company operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the financial year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the financial year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant entity.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the consolidated financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the financial year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the financial year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The estimated useful lives of property, plant and equipment are as follows:

Leasehold property	–	30 to 50 years
Cold room	–	20 years
Leasehold improvements	–	12 to 36 years
Plant and equipment	–	3 to 12 years
Restoration cost	–	36 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the consolidated financial statements.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the financial year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 24 on non-current provision.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The estimated useful lives over the lease terms are as follows:

Leasehold land and office premise	–	5 to 34 years
Motor vehicles	–	5 years
Equipment	–	5 years

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Trademarks	–	3 to 5 years
Research and development costs	–	5 years

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Leases of leasee

Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded in property, plant and equipment. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as an expense. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Leases of lessor

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease receipts from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the Company and the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the Company has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the Company controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Business combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. There were no business combinations during the reporting year.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Joint arrangements – joint venture

A joint arrangement (that is, either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the Company is party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a joint venture, the parties with joint control have rights to the net assets of the arrangement. The reporting interests in joint ventures are recognised using the equity method in accordance with the financial reporting standard on investments in associates and joint ventures.

Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of an investment in the joint venture are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of a joint venture in excess of the Company's interest in the relevant joint venture are not recognised except to the extent that the Company has an obligation. Profits and losses resulting from transactions between the Company and a joint venture are recognised in the consolidated financial statements only to the extent of unrelated company's interests in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of joint venture are changed where necessary to ensure consistency with the policies adopted by the Company. The Company discontinues the use of the equity method from the date that when its investment ceases to be a joint venture and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former joint venture is measured at fair value at the date that it ceases to be a joint venture.

Inventories

Inventories are measured at the lower of cost and net realisable value. Raw materials are measured at first-in, first-out ("**FIFO**") method. Work-in-progress and finished goods are measured at standard cost which approximate actual cost. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the 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. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. 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 measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised 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 entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("**FVTPL**"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("**FVTOCI**"): There were no financial assets classified in this category at reporting year end date.

3. Financial asset that is an equity investment measured at fair value through other comprehensive income ("**FVTOCI**"): There were no financial assets classified in this category at reporting year end date.

4. Financial asset classified as measured at fair value through profit or loss ("**FVTPL**"): There were no financial assets classified in this category at reporting year end date.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial liabilities

Financial liabilities are classified as at fair value through profit or loss ("**FVTPL**") in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the financial period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the financial year and in the event the fair values are disclosed in the relevant notes to the consolidated financial statements.

2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the financial year they occur.

Segment reporting

The Group discloses financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next financial year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Expected credit loss allowance on trade receivables

The allowance for expected credit losses ("**ECL**") assessment requires a degree of estimation and judgement. It is based on the lifetime ECL for trade receivables. In measuring the expected credit losses, management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions (including the impact of the Covid-19 pandemic). The carrying amounts might change materially within the next financial year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the financial year. The carrying amount is disclosed in the note on trade and other receivables.

Net realisable value of inventories

A review is made on inventory for excess inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. The review requires management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the financial year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the financial year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the financial period is disclosed in the note on inventories.

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Useful lives of property, plant and equipment

The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the financial year affected by the assumption are disclosed in note on property, plant and equipment.

Impairment of right-of-use assets

Significant judgement is applied by management when determining impairment of the right-of-use asset. Impairment is assessed for separable parts of leased buildings that have been or will be vacated in the near future. The impairment is sensitive to changes in estimated future expected sub-lease period. Judgement is also involved when determining whether sub-lease contracts are financial or operational, as well as when determining lease term for contracts that have extension or termination options. The carrying amount of the specific asset or class of assets at the end of the financial year affected by the assumption are disclosed in note of right-of-use assets.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the Company to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The controlling shareholders are Mr. Ong Bee Chip, Mdm. Ong Chew Yong and Mr. Ong Bee Song.

3A. Members of a group

Name	Relationship	Country of incorporation
BCS Development Pte. Ltd.	Ultimate parent company	Singapore

Related companies in these consolidated financial statements include the members of the Company's group of companies.

3. Related party relationships and transactions (cont'd)

3B. Related party transactions

There are transactions and arrangements between the Company and related parties and the effects of these on the basis determined between the parties are reflected in these consolidated financial statements. The related party balances and any financial guarantees are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances.

In addition to transactions and balances disclosed elsewhere in the notes to the consolidated financial statements, this item includes the following significant related party transactions:

	Group	
	2021 $'000	2020 $'000
Related party		
Sale of equipment [(a)]	–	60
Sales of goods [(a)]	120	27
Miscellaneous income [(a)]	44	–

	Group	
	2021 $'000	2020 $'000
Other related parties – entity with no significant influence over the entity		
Purchase of forklifts and forklift maintenance and repair services [(b)]	96	33
Sales of goods [(c)]	1,222	1,207

[(a)] Sale of goods and equipment to a related party, PT Delta Bridge Foods, a subsidiary to the joint venture.

[(b)] The purchase of forklifts and forklift maintenance and repair services from a related party, Hock Eek Seng Machinery Pte Ltd ("**Hock Eek Seng**"), a company owned by the sibling of the directors, Mr. Ong Bee Chip and Mdm. Ong Chew Yong. Both directors have no significant controlling interest over Hock Eek Seng.

[(c)] Sale of goods to Swee Heng Bakery Pte Ltd ("**Swee Heng**"), a company owned by the sibling of the directors, Mr. Ong Bee Chip and Mdm. Ong Chew Yong. Both directors have no significant controlling interest over Swee Heng.

3C. Key management compensation

	Group	
	2021 $'000	2020 $'000
Remuneration of key management personnel		
Salaries and other short-term employee benefits	848	493

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts for key management compensation are for all directors of the Group. The above remuneration of the key management personnel are included under employee benefits expenses.

3. Related party relationships and transactions (cont'd)

3D. Other receivables from and other payables to related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	Company	
Subsidiaries	**2021**	**2020**
	$'000	**$'000**
Other receivables		
Balance at beginning of the year	100	–
Amounts paid out and settlement of liabilities on behalf of the subsidiaries	156	100
Balance at end of the year (Note 20)	256	100

	Group and Company	
Shareholders	**2021**	**2020**
	$'000	**$'000**
Other payable		
Balance at beginning of the year	(517)	–
Dividend payable (Note 12)	(1,004)	(517)
Dividend paid	1,521	–
Balance at end of the year (Note 28)	–	(517)

	Group		Company	
Related parties	**2021**	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Other payable				
Balance at beginning of the year	–	–	–	–
Amounts paid out and settlement of liabilities on behalf of the related parties	(1,638)	–	(1,347)	–
Balance at end of the year (Note 28)	(1,638)	–	(1,347)	–

4. Financial information by operating segments

4A. Primary analysis by business segment

For management purposes, the Group is organised into four (4) major strategic operating segments: Modern Trade, General Trade and Food Services and Others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The Group distribute and sell their products via following market segments:

(1) Modern Trade ("**MT**") refers to sales generated from major supermarkets.

(2) General Trade ("**GT**") refers to sales generated from convenience stores, provision shops and wholesalers.

(3) Food Services ("**FS**") refers to sales generated from hotels, restaurants, hawker centres, food courts, food and beverages stores, and caterers.

(4) Others ("**OT**") refers to sales that are mainly generated from e-commerce platforms and the export markets. The OT segment also includes other income such as vehicle rental income and miscellaneous income.

Inter-segment sales are measured on the basis that the Group actually uses to price the transfers. Internal transfer pricing policies of the Group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment assets consist primarily of property, plant and equipment, right-of-use assets, inventories, trade and other receivables, other assets and cash and cash equivalents. Segment liabilities comprise trade and other payables, loans and borrowings, lease liabilities, other financial liabilities, provisions and other liabilities.

The management reporting system evaluates performances based on a number of factors. However the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before interest expenses, income taxes, depreciation and amortisation (called "**Recurring EBITDA**") and (2) operating result before income taxes and other unallocated items (called "**PBT**").

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

The information on each business segment is as follows:

	2021 $'000	2020 $'000
Revenue by segment:		
Modern Trade ("**MT**")	9,851	10,964
General Trade ("**GT**")	18,897	14,090
Food Services ("**FS**")	5,916	6,097
Others ("**OT**")	3,842	3,384
Total	38,506	34,535

4. Financial information by operating segments (cont'd)

4B. Profit or loss from continuing operations and reconciliations

	MT $'000	GT $'000	FS $'000	OT $'000	Total $'000
2021					
Revenue by segment					
Total revenue by segment	9,851	19,873	5,916	14,575	50,215
Inter-segment sales	–	(976)	–	(10,733)	(11,709)
Total revenue	9,851	18,897	5,916	3,842	38,506
Recurring EBITDA	939	2,205	1,214	1,206	5,564
Depreciation expenses	(314)	(602)	(189)	(308)	(1,413)
Amortisation of deferred capital grants	32	61	19	11	123
Finance costs	(72)	(139)	(44)	(26)	(281)
Share of loss from joint venture	–	–	–	(115)	(115)
PBT	585	1,525	1,000	768	3,878
Income tax expense					(889)
Profit, net of income tax					2,989

	MT $'000	GT $'000	FS $'000	OT $'000	Total $'000
2020					
Revenue by segment					
Total revenue by segment	10,964	14,968	6,097	8,921	40,950
Inter-segment sales	–	(878)	–	(5,537)	(6,415)
Total revenue	10,964	14,090	6,097	3,384	34,535
Recurring EBITDA	1,197	2,441	1,162	1,131	5,931
Depreciation expenses	(370)	(475)	(206)	(280)	(1,331)
Amortisation of deferred capital grants	39	51	22	12	124
Finance costs	(83)	(107)	(46)	(25)	(261)
Share of loss from joint venture	–	–	–	(73)	(73)
PBT	783	1,910	932	765	4,390
Income tax expense					(839)
Profit, net of income tax					3,551

4. Financial information by operating segments (cont'd)

4C. Assets, liabilities and reconciliations

	MT $'000	GT $'000	FS $'000	OT $'000	Total $'000
2021					
Segment assets	11,340	21,751	6,810	4,522	44,423
Investment in joint venture	–	–	–	760	760
Total assets	11,340	21,751	6,810	5,282	45,183
Segment liabilities	3,601	6,907	2,162	1,930	14,600
Deferred tax liabilities					435
Income tax payables					508
Total liabilities					15,543
2020					
Segment assets	11,162	14,344	6,208	4,156	35,870
Investment in joint venture	–	–	–	425	425
Total assets	11,162	14,344	6,208	4,581	36,295
Segment liabilities	4,809	6,179	2,673	2,270	15,931
Deferred tax liabilities					241
Income tax payables					139
Total liabilities					16,311

4D. Other material items and reconciliations

	MT $'000	GT $'000	FS $'000	OT $'000	Total $'000
Expenditure for non-current assets					
As at 30 June 2021	255	490	153	541	1,439
As at 30 June 2020	168	216	93	550	1,027

4. Financial information by operating segments (cont'd)

4E. Geographical information

	2021 $'000	2020 $'000
Revenue		
Singapore	24,513	25,486
Malaysia	12,119	7,433
Others	1,874	1,616
Total	38,506	34,535
Non-current assets		
Singapore	13,690	14,273
Malaysia	524	273
Indonesia	760	425
Total	14,974	14,971

The Group operates in three (3) geographical regions such as Singapore, Malaysia, Indonesia and other countries. Other countries mainly comprise of Brunei, Myanmar and Hong Kong.

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments.

4F. Information on major customers

Customers who individually account for 5% or more of the Group's revenue is detailed below:

	2021 $'000	2020 $'000
Customer A	4,436	6,377
Customer B	2,821	2,740
Total	7,257	9,117

5. Revenue

	Group	
	2021 $'000	2020 $'000
Sale of goods	37,971	34,225
Rental of vehicles (Note 29)	222	220
Miscellaneous income	313	90
	38,506	34,535

The revenue from sales of goods and miscellaneous income are recognised based on point in time. The customers are distributors and retailers, local and foreign.

The revenue from rental of vehicles is from operating leases and recognised on straight-line basis over the term of the relevant lease.

6. Other income and gains and (other losses)

	Group	
	2021 $'000	2020 $'000
Amortisation of deferred capital grants (Note 27B)	123	124
Bad debt written-off of trade receivables	(6)	–
Gain on disposal of plant and equipment	35	79
Government grants from Job Support Scheme [(a)]	597	515
Other government grants and rebates	210	81
Interest income	7	7
Foreign exchange adjustments	(112)	(79)
Freight income	5	–*
IPO expenses [(b)]	(1,056)	–
Miscellaneous income	18	18
Plant and equipment written-off	(89)	(1)
Net	(268)	744
Presented in profit or loss as:		
Other income and gains	995	824
Other losses	(1,263)	(80)
Net	(268)	744

[(a)] The purpose of the Jobs Support Scheme is to provide wage support to employers to help them retain their local employees during this period of economic uncertainty amid Covid-19 for specific period.

[(b)] Included the fees disclosed, is an amount of $194,000 (2020: Nil), paid to the auditors of the Company relating to the IPO exercise of the Company during the year.

7. Marketing and distribution costs

The major components include the following:

	Group	
	2021 $'000	2020 $'000
Advertising and promotion	552	463
Delivery and transportation expenses – sales of goods	1,233	1,354

8. Adminstrative expenses

The major components include the following:

	Group	
	2021	2020
The major components include the following:	$'000	$'000
Audit services		
– independent auditors of the company	100	53
– other independent auditors	19	13
Non-audit services		
– independent auditors of the company	16	15
Employee benefit expenses (Note 9)	3,761	3,203
Depreciation expenses		
– property, plant and equipment (Note 14)	186	179
– right-of-use assets (Note 15)	248	212
Fixed rental expense on short-term leases (Note 26)	26	60

9. Employee benefits expense

	Group	
	2021	2020
	$'000	$'000
Salaries, bonuses and other short-term employee benefits	6,872	5,653
Contributions to defined contribution plan	482	478
Others	40	66
Total employee benefits expense	7,394	6,197
The employee benefits expense is charged under:		
Cost of sales	3,633	2,994
Administrative expenses (Note 8)	3,761	3,203
Total	7,394	6,197

Certain employees are nominated by ultimate parent company to receive the Employee Shares from the ultimate parent company. These employees collectively hold an aggregate of 1,000,000 shares representing approximately 0.5% of the total number of issued shares immediately after the IPO.

In relation to the Employee Shares, a share-based payment expense of an aggregate of approximately $230,000 will be charged to the profit or loss pursuant to the transfer of the Employee Shares over a period of 24 months commencing from 17 June 2021. No amount has been charged to profit or loss for reporting year ended 30 June 2021 as the amount is not material.

10. Finance costs

	Group	
	2021 $'000	2020 $'000
Interest expenses		
– loan and borrowings	106	83
– lease liabilities (Note 26)	175	178
Total	281	261

11. Income tax

11A. Components of tax expense recognised in profit or loss include

	Group	
	2021 $'000	2020 $'000
Income tax expense		
Current year tax expense	721	158
Over adjustments to tax in respect of prior years	(26)	–
Subtotal	695	158
Deferred tax expense		
Deferred tax expense	164	536
Under adjustments to tax in respect of prior years	30	145
Subtotal	194	681
Total	889	839

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate where the parent is incorporated. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2020: 17%) to profit before income tax as a result of the following differences:

	Group	
	2021 $'000	2020 $'000
Profit before income tax	3,878	4,390
Share of loss from joint venture	115	73
	3,993	4,463
Income tax expense at the above rate	679	759
Effect of different tax rates in different countries	63	31
Under adjustments to tax in respect of prior years	4	145
Expenses not deductible (Income not subject) to tax purpose	179	(65)
Previously unrecognised deferred tax assets recognised this year	(4)	–
Utilisation of unabsorbed tax losses and capital allowance previously not recognised as deferred tax assets in prior years	–	(25)
Tax exemptions and rebates	(35)	(32)
Others	3	26
Total income tax expense	889	839

There are no income tax consequences of dividends to owners of the Group.

11. Income tax (cont'd)

11B. Deferred tax expense recognised in profit or loss include

	Group	
	2021 $'000	**2020 $'000**
Excess of net book value of plant and equipment over tax value	83	365
Excess of tax value of plant and equipment over net book value	–	223
Tax loss carryforwards	–	17
Unabsorbed capital allowance carryforwards	141	113
Provision	(44)	–
Utilisation of unabsorbed tax losses and capital allowance previously not recognised as deferred tax assets in prior years	–	(25)
Others	14	(12)
Total deferred tax expense	194	681

11C. Deferred tax balance in the statement of financial position

	Group	
	2021 $'000	**2020 $'000**
Excess of net book value of plant and equipment over tax values	(480)	(397)
Provision	44	–
Unabsorbed capital allowance carryforwards	–	141
Others	1	15
Deferred tax liabilities	(435)	(241)

It is impracticable to estimate the amount expected to be settled or used within one year.

There are no accumulated tax loss carryforwards for Group's subsidiaries as at reporting year ended 30 June 2021.

12. Dividends on equity shares

	Group and Company	
	2021	2020
First interim tax exempt (1-tier) dividend		
Rate per share (in cents)	6.8	3.5
Total dividend ($'000)	1,004	517

There are no income tax consequences of the dividends to shareholders.

In respect of the current reporting year, the directors have proposed that a final dividend of 0.7 cent per share with a total of $1,498,000 be paid to shareholders after the annual general meeting. There are no income tax consequences on the Company. This dividend is subject to approval by shareholders at the next annual general meeting and has not been included as a liability in these financial statements. The proposed dividend is payable in respect of all ordinary shares in issue at the end of the reporting year and including any new qualifying shares issued up to the date the dividend becomes payable.

13. Earnings per share

The earnings per share is computed by dividing the profit after tax attributable to owners of the Company against the weighted average number of shares, taken into account of share split for the respective reporting years.

The basic and diluted earnings per share for all respective financial periods are the same as the share option and performance shares granted are anti-dilutive taken into account of the share split and there were no other outstanding convertibles or other dilutive equity instruments.

The following illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

	Group	
	2021 $'000	2020 $'000
Numerator		
Profit attributable to owners of the Company, net of income tax	2,989	3,551
	'000	'000
Denominator		
Weighted average number of equity share	180,008	178,652

14. Property, plant and equipment

Group	Leasehold property $'000	Cold room $'000	Restoration cost $$'000	Leasehold improvements $'000	Plant and equipment $'000	Total $'000
Cost						
At 1 July 2019	8,494	880	588	2,348	12,375	24,685
Additions	–	–	–	120	356	476
Disposals / written-off	–	–	–	–	(282)	(282)
Foreign exchange adjustments	–	–	–	–	(2)	(2)
At 30 June 2020	8,494	880	588	2,468	12,447	24,877
Additions	–	167	–	25	797	989
Disposals / written-off	–	–	–	–	(1,475)	(1,475)
Foreign exchange adjustments	–	–	–	(1)	(6)	(7)
At 30 June 2021	8,494	1,047	588	2,492	11,763	24,384
Accumulated depreciation						
At 1 July 2019	2,604	391	32	1,848	8,122	12,997
Depreciation for the year	172	25	16	82	750	1,045
Disposals / written-off	–	–	–	–	(264)	(264)
Foreign exchange adjustments	–	–	–	–	(1)	(1)
At 30 June 2020	2,776	416	48	1,930	8,607	13,777
Depreciation for the year	220	48	16	82	725	1,091
Disposals / written-off	–	–	–	(64)	(1,315)	(1,379)
Foreign exchange adjustments	–	–	–	–	(2)	(2)
At 30 June 2021	2,996	464	64	1,948	8,015	13,487
Net carrying value						
At 1 July 2019	5,890	489	556	500	4,253	11,688
At 30 June 2020	5,718	464	540	538	3,840	11,100
At 30 June 2021	5,498	583	524	544	3,748	10,897

14. Property, plant and equipment (cont'd)

Certain items are under lease liabilities as follows:

	Group	
	2021 $'000	2020 $'000
Net carrying value of plant and equipment:		
– lease liabilities (Notes 26)	132	148

The leasehold property is pledged as security for the bank facilities (see Note 25).

Allocation of the depreciation expense as follows:

	Group	
	2021 $'000	2020 $'000
Cost of sales	905	866
Administrative expenses (Note 8)	186	179
	1,091	1,045

Company	Plant and equipment $'000
Cost	
At 1 July 2019	403
Additions	32
At 30 June 2020	435
Additions	9
Disposal	(21)
At 30 June 2021	423
Accumulated depreciation	
At 1 July 2019	138
Depreciation for the year	82
At 30 June 2020	220
Depreciation for the year	84
Disposal for the year	(21)
At 30 June 2021	283
Net carrying value	
At 1 July 2019	265
At 30 June 2020	215
At 30 June 2021	140

The depreciation expense of the Company is charged to administrative expenses.

15. Right-of-use assets

Group	Leasehold land and office premise $'000	Motor vehicles $'000	Equipment $'000	Total $'000
Cost				
At 1 July 2019 – on adoption of SFRS(I) 16	2,629	–	70	2,699
Additions	–	982	–	982
At 30 June 2020	2,629	982	70	3,681
Additions	139	–	–	139
Lease modification [(a)]	111	–	–	111
Foreign exchange adjustments	(6)	–	–	(6)
At 30 June 2021	2,873	982	70	3,925
Accumulated depreciation				
At 1 July 2019 – on adoption of SFRS(I) 16	–	–	–	–
Depreciation for the year	101	170	15	286
At 30 June 2020	101	170	15	286
Depreciation for the year	111	196	15	322
At 30 June 2021	212	366	30	608
Net carrying value				
At 1 July 2019 – on adoption of SFRS(I) 16	2,629	–	70	2,699
At 30 June 2020	2,528	812	55	3,395
At 30 June 2021	2,661	616	40	3,317

[(a)] During the reporting year, the Group renegotiated and modified an existing lease contract for an office premise by extending the lease term by another one year at revised lease payment terms. As this extension is not part of the terms and conditions of the original lease contract, it is accounted for as a lease modification with an addition to the right-of-use assets. The corresponding remeasurement to lease liability is recorded under 'lease liabilities' (Note 26).

The leasehold land is from the Jurong Town Corporation ("**JTC**") for thirty (30) years lease term from September 1993 and expiring in September 2023. The Group has complied with the required investment criteria and has been granted an additional term of thirty (30) years commencing from September 2023, although the lease in respect of the additional term of thirty (30) years has not been executed. The annual rent is subject to revision on 16 September of every year based on the market rate at the date of the revision.

Rentals are subject to an escalation clause but the amount of the rent increase is not to exceed the contractual rental revision scheme of increment at 7.6% per annum of the annual rent of the immediate preceding year. The contracted rent rate with JTC has been revised and the increased is fixed at 4% per annum with effective from 1 July 2019.

15. Right-of-use assets (cont'd)

Allocation of the depreciation expense as follows:

	Group	
	2021 $'000	2020 $'000
Cost of sales	74	74
Administrative expenses (Note 8)	248	212
	322	286

Other information about the leasing activities relating to the right-of-use assets are summarised as follows:

	Leasehold land and office premise	Motor vehicles	Equipment
2021			
Number of right-of-use assets	3	8	1
Remaining term – range (years)	3 – 32	4	2
2020			
Number of right-of-use assets	2	8	1
Remaining term – range (years)	5 – 33	5	3

Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. For leases over properties the leases require those properties in a good state of repair and return the properties in their original condition at the end of the lease. Insurance and maintenance fees on right-of-use assets are usually required under the lease contracts.

The net carrying value of right-of-use assets are under lease liabilities agreements (Note 26).

16. Intangible assets

Group	Research and development costs $'000	Trademark $'000	Total $'000
Cost			
At 1 July 2019, 30 June 2020 and 30 June 2021	94	15	109
Accumulated amortisation			
At 1 July 2019, 30 June 2020 and 30 June 2021	94	15	109
Net carrying value			
At 1 July 2019, 30 June 2020 and 30 June 2021	–*	–*	–*

* Below $1,000

17. Investment in subsidiaries

	Company	
	2021 $'000	2020 $'000
Unquoted shares, at cost		
At 1 July 2019, 30 June 2020 and 30 June 2021	14,771	14,771

The wholly owned subsidiaries held by the Company are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost of investment		Percentage of effective equity held by the Company and the Group	
	2021 $'000	2020 $'000	2021 %	2020 %
Subsidiaries				
Golden Bridge Foods Manufacturing Pte Ltd ("**GB**") [(a)] Singapore Manufacturing and sale of non-halal meat products	13,971	13,971	100	100
Ellaziq Private Limited ("**Ellaziq**") [(a)] Singapore Manufacturing and sale of halal meat products	800	800	100	100
	14,771	14,771		

	Percentage of equity interest held	
	2021 %	2020 %
Held through subsidiaries of the Company		
GB Global (Malaysia) Sdn Bhd [(b)] Malaysia Sale of non-halal and halal meat products	100	100
Ellaziq (Malaysia) Sdn Bhd [(b)] Malaysia Sale of halal meat products	100	100
GB Global Philipphines Corporation [(c)] Philipphines (Incorporated on 5 April 2021) Sale of non-halal and halal meat products	100	–

[(a)] Audited by RSM Chio Lim LLP.

[(b)] Audited by RSM Malaysia, a member firm of RSM International of which RSM Chio Lim LLP in Singapore is a member.

[(c)] On 5 April 2021, the Group incorporated a wholly-owned subsidiary, GB Global (Philippines) Corporation ("**GBGP**"). The total number of issued ordinary shares of GB Philippines is 100,000 ordinary shares of Peso 100 each. Due to local requirements in the Philippines, two (2) of the ordinary shares are held by two (2) individuals as nominees for the Group and the remaining 99,998 ordinary shares are directly held by the Group. No capital was injected as at the end of reporting year ended 30 June 2021. GBGP was not audited as the entity is dormant and not material.

18. Investment in joint venture

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Carrying value in the books of the Company, comprising:				
Unquoted equity shares, at cost	950	500	950	500
Share of loss	(188)	(73)	–	–
Foreign exchange differences	(2)	(2)	–	–
Total, at cost	760	425	950	500
Movements during the year. At cost				
At beginning of the year	425	–	500	–
Addition	450	500	450	500
Share of loss	(115)	(73)	–	–
Foreign exchange differences	–	(2)	–	–
At end of the year	760	425	950	500
Share of net book value of joint venture	760	425		

The listing and information on the joint venture is given below:

Name of joint venture, country of incorporation, place of operations and principal activities	Cost of investment		Percentage of effective equity interest held by Group	
	2021 $'000	2020 $'000	2021 %	2020 %
Delta Bridge Pte. Ltd. [a]				
Singapore				
Holding company	950	500	50	50

			Percentage of equity interest held	
Subsidiary of the joint venture			2021	2020
PT Delta Bridge Foods [b]			%	%
Indonesia				
Manufacturing and sale of non-halal meat products	219	219	90	90

[a] Audited by RSM Chio Lim LLP.

[b] The unaudited management financial statement as at 30 June 2021 of the joint venture have been used for consolidation as the joint venture is not material.

The Group jointly controls the joint venture with other partners under the contractual agreements that require unanimous consent or more than half of board of directors' consent for all major decisions over the relevant activities.

18. Investment in joint venture (cont'd)

The summarised financial information of the joint venture and the amounts (and not the Group's share of those amounts) based on the financial statements are as follows:

	Group	
	2021 $'000	2020 $'000
Revenues	114	4
Total comprehensive income loss	(256)	(163)
Interest expense	–	(1)
Non-current assets	1,104	491
Current assets	814	531
Non-current liabilities	(16)	(25)
Current liabilities	(397)	(136)
Non-controlling interests	14	(10)
Reconciliation:		
Net assets of the joint venture	1,519	851
Proportion of the reporting entity's interest in the joint venture	50%	50%
Proportion of the Group's interest in the joint venture	760	425

On 12 March 2019, the Company and Hogsworld Pte Ltd agreed to combine their asset management and services activities by establishing a separate vehicle – Delta Bridge Pte. Ltd. ("**Delta Bridge**"). The parties expect the arrangement to benefit them in processing and manufacturing of Chinese sausages and other meat products (the "**Products**") and marketing and distribution of the Products. Delta Bridge's legal form is that it causes the separate vehicle to be considered in its own right. Each of the Company and the other party holds 50% shareholding interests in Delta Bridge Pte. Ltd. The shareholders' agreement establishes joint control of the activities of Delta Bridge. The joint arrangement is carried out through a separate vehicle whose legal form confers separation between the parties and the separate vehicle and the parties have rights to the net assets of Delta Bridge. The parties recognise their rights to the net assets of Delta Bridge as investments and account for them using the equity method.

19. Inventories

	Group	
	2021 $'000	2020 $'000
Finished goods	4,468	2,826
Raw materials	3,223	7,098
Work in progress	124	30
	7,815	9,954
Changes in inventories of finished goods and work-in-progress	(1,736)	281
Raw materials and consumable used	38,564	18,796

There are no inventories pledged as security for liabilities.

20. Trade and other receivables

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Trade receivables				
Outside parties	5,827	5,822	62	–
Related party (Note 3)	155	7	–	–
Subsidiaries (Note 3)	–	–	20	144
Subtotal	5,982	5,829	82	144
Other receivables				
Government grant receivable [(a)]	–	211	–	–
Outside parties	–	1	–	–
Subsidiaries (Note 3)	–	–	256	100
Subtotal	–	212	256	100
Total trade and other receivables	5,982	6,041	338	244

[(a)] Government grant receivable under the Jobs Support Scheme.

The expected credit losses ("**ECL**") on the trade receivables are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of these assets.

The Group's customers can be credit risk graded individually and these are recorded at inception net of expected lifetime ECL. These receivables are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. At every financial date the historical observed default rates are updated and changes in the forward-looking estimates (including the impact of the Covid-19 pandemic) are analysed. There are no collateral held as security and other credit enhancements for the trade receivables.

The receivables have common risk characteristics as compared to previous period. There were no significant bad debts noticed in the previous period. The Group assesses the credit risk of its customers individually. The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

At each subsequent financial date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the financial date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

As part of the process of setting customer credit limits, different credit terms are used. The Group's normal trade credit term ranges from cash to 90 days (2020: cash to 90 days). But some customers take a longer period to settle the amounts.

20. Trade and other receivables (cont'd)

Ageing analysis of the age of trade receivable amounts that are past due after the average credit term of 60 days (2020: 60 days) as at the end of financial year/period but not impaired:

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Trade receivables				
61 – 90 days	606	836	–	–
91 – 120 days	270	546	–	–
Over 120 days	152	1,979	–	–
Total	1,028	3,361	–	–

Majority of the Group's trade receivable amounts that were past due at the end of the financial years 2021 and 2020 have been settled after the end of the respective financial years. As at the end of the financial years 2021 and 2020, there were no amounts that were impaired.

Concentration of trade receivable customers as at the end of reporting year:

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Top 1 customer	931	1,252	15	105
Top 2 customers	1,578	1,532	19	143
Top 3 customers	1,852	1,791	19	144

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk. No loss allowance is necessary.

21. Other non-financial assets

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Advance payment to suppliers	275	112	–	–
Prepayments	158	58	26	6
Deposit for purchase of plant and equipment (Note 30)	–	51	–	–
Deposits to secure services	112	115	–	–
Total	545	336	26	6
Presented in the statement of financial position				
Current	545	285	26	6
Non-current	–	51	–	–
	545	336	26	6

22. Cash and cash equivalents

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Not restricted in use	15,867	5,044	9,030	168

The interest earning balances are not significant.

22A. Reconciliation of liabilities arising from financing activities

Group	At beginning of the year $'000	Cash flows $'000	Non-cash changes $'000	At end of the year $'000
2021				
Long-term borrowings	3,904	(666)	–	3,238
Short-term borrowings	1,352	(268)	–	1,084
Lease liabilities	3,545	(472)	419[(a)]	3,492
Total liabilities from financing activities	8,801	(1,406)	419	7,814
2020				
Long-term borrowings	1,792	2,112	–	3,904
Short-term borrowings	1,166	186	–	1,352
Lease liabilities	220	(535)	3,860[(b)]	3,545
Total liabilities from financing activities	3,178	1,763	3,860	8,801

(a) Interest expense, recognition and modification of lease liabilities.
(b) Lease liabilities recognised due to adoption of FRS 116.

23. Share capital

	2021		2020	
	Number of shares issued '000	Share capital $'000	Number of shares issued '000	Share capital $'000
Balance at beginning of the year	14,771	14,771	14,771	14,771
The share split, pursuant to issued and paid-up capital [(a)]	163,881	–	–	–
Sub-division, effected on 1 June 2021[(a)]	178,652	14,771	–	–
New shares issued to Sponsor [(b)]	348	80	–	–
Issuance of new shares pursuant to IPO [(c)]	35,000	8,050	–	–
Capitalisation of IPO expenses [(c)]	–	(432)	–	–
Balance at end of the year	214,000	22,469	14,771	14,771

23. Share capital (cont'd)

(a) On 31 May 2021, the Company authorised and approved the sub-division of the share capital of the Company, which was effected on 1 June 2021. The share capital of the Company was sub-divided in such manner that 14,771,188 ordinary shares in the issued and paid up share capital of the Company were sub-divided into 178,652,173 ordinary shares (the "**Sub-division**").

(b) On 31 May 2021, the shareholders passed resolutions to approve the allotment and issue of 347,827 ordinary shares to SAC Capital Private Limited as part satisfaction of their management fees as the Sponsor and Issue Manager, which when allotted, issued and fully paid, will rank *pari passu* in all respects with the then existing issued Shares;

(c) Pursuant to the IPO on 17 June 2021, the Company issued 35,000,000 new ordinary shares for a consideration of $8,050,000. IPO expenses incurred amounted to $1,520,000, of which $432,000 has been capitalised against share capital while the remaining amounts of $32,000 charge to vendor shares sales and $1,056,000 has been included in other expenses in the consolidated statement of profit or loss and other comprehensive income.

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

Capital management

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and retained earnings).

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group	
	2021 $'000	**2020 $'000**
Net debt		
All current and non-current borrowings including lease liabilities	7,814	8,801
Less cash and cash equivalents	(15,867)	(5,044)
Net (cash) debt	(8,053)	3,757
Adjusted capital		
Total equity	29,640	19,984
Debt-to-adjusted capital ratio	N.M	18.79%

The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings as the Group is in net cash position.

24. Provision

	Group	
	2021 $'000	2020 $'000
Provision for restoration cost	588	588
Movements during the year		
At beginning and end of the year	588	588

Provision for restoration costs is recognised when the reporting entity enters into a lease agreement for the leasehold land. It includes the estimated cost of demolishing and removing all the leasehold improvements made by the reporting entity to the leasehold land, where reinstatement is required. The leasehold land shall be reinstated to the condition set up in the lease agreement upon the expiration of the lease agreement.

25. Loans and borrowings

	Group	
	2021 $'000	2020 $'000
Non-current		
Bank loans (Note 25A)	3,238	3,904
Current		
Bank loans (Note 25A)	1,084	973
Bill payables (secured) (Note 25B)	–	379
	1,084	1,352
Total	4,322	5,256
The non-current portion is repayable as follows:		
Due within 2 to 5 years	2,960	3,471
After 5 years	278	433
	3,238	3,904

25. Loans and borrowings (cont'd)

25A. Bank loans

The bank loans consist of the following:

	Group	
	2021 $'000	**2020 $'000**
Non-current		
Bank loan 1 (secured)	392	697
Bank loan 2 (secured)	873	1,014
Bank loan 3 (unsecured)	1,229	1,212
Bank loan 4 (unsecured)	744	981
Subtotal	3,238	3,904
Current		
Bank loan 1 (secured)	304	298
Bank loan 2 (secured)	141	137
Bank loan 3 (unsecured)	393	288
Bank loan 4 (unsecured)	246	250
Subtotal	1,084	973
Total	4,322	4,877

The number of monthly repayments and commencing dates are as follows:

Group	**Number of monthly equal instalments**	**Commencement date**
Bank loan 1 (secured)	120	January 2012
Bank loan 2 (secured)	120	April 2018
Bank loan 3 (unsecured)	60	June 2020
Bank loan 4 (unsecured)	60	May 2020

The interest rates range between 1.78% to 3.60% per annum for the reporting years 2021 and 2020. All borrowings are interest bearing. The carrying amount of the bank loans is a reasonable approximation of fair values (Level 2).

1. Bank loans 1 and 2 (secured)

The loans are secured by legal mortgage over the property at 30 Senoko South Road Singapore 758088; and the existing joint and several personal guarantee from certain directors and controlling shareholder of the Group.

2. Bank loan 3 and 4 (unsecured)

The loans are covered by existing joint and several personal guarantee from certain directors and controlling shareholder of the Group.

25B. Bill payables (secured)

The interest rates range from 2.68% to 3.33%, per annum for the financial year ended 2020. The bank credit facilities were secured by legal mortgage over the property at 30 Senoko South Road Singapore 758088; and the existing joint and personal guarantee from certain directors and controlling shareholder of the Group.

25. Loans and borrowings (cont'd)

As the date of report, the Group is in the midst of converting the personal guarantees provided by the directors Mr. Ong Bee Chip and Mdm. Ong Chew Yong, and the controlling shareholder Mr. Ong Bee Song for banking facilities to corporate guarantees from the Company.

26. Lease liabilities

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

The movements of the carrying amount of lease liabilities during the reporting year are as follows:

	2021 $'000	2020 $'000
Group		
At the beginning of the year	3,545	2,924
Lease modification (Note 15)	111	–
Additions	139	982
Accretion of interest	175	178
Lease payments – principal and interest portion paid	(472)	(535)
Interest paid	(2)	(4)
Foreign exchange difference	(4)	–
At the end of the year	3,492	3,545

Lease liabilities are presented in the statement of financial position as follows:

	Group	
	2021 $'000	2020 $'000
Presented in the statement of financial position		
Current	317	267
Non-current	3,175	3,278
	3,492	3,545

The lease liabilities above do not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liabilities and the right-of-use assets. The right-of-use assets are disclosed in Note 15.

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is disclosed in Note 31E.

The weighted average incremental borrowing rates applied to lease liabilities recognised ranged from 3.50% to 5.09% (2020: 3.50% to 5.09%) per annum.

Included are lease liabilities amounting to $33,000 and $54,000 for the financial years 2021 and 2020 respectively which is covered by existing joint and personal guarantee from certain directors and controlling shareholder of the Group.

26. Lease liabilities (cont'd)

The following are the amounts recognised in profit or loss:

	2021 $'000	2020 $'000
Fixed rental expense on short-term leases – administrative expenses (Note 8)	26	60

27. Other non-financial liabilities

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Deferred grant income (Note 27A)	–	238	–	–
Deferred capital grant (Note 27B)	219	342	14	28
	219	580	14	28
Presented in the statement of financial position				
Current	114	362	8	13
Non-current	105	218	6	15
	219	580	14	28

27A. Deferred grant income

The deferred grant income is for the Job Support Scheme ("**JSS**"). It is to provide wage support to employers to help them retain their local employees during this period of economic uncertainty amid Covid-19 for a specified period. Income from JSS is recognised over the time period to which it relates or amortised on a systematic basis in accordance with payroll period.

27B. Deferred capital grant

Deferred capital grants related to government grants received from the acquisition of equipment for operating activities undertaken by the Group. There are no unfulfilled conditions or conditions affected to these grants.

A summary of deferred capital grants movement is as follows:

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Balance at beginning of the year	342	466	28	40
Amortised to profit or loss included in other gains (Note 6)	(123)	(124)	(14)	(12)
Balance at end of the year	219	342	14	28

27. Other non-financial liabilities (cont'd)

27B. Deferred capital grant (cont'd)

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Presented in the statement of financial position				
Current	114	124	8	13
Non-current	105	218	6	15
	219	342	14	28

28. Trade and other payables

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Trade payables				
Outside parties and accrued liabilities	4,263	5,362	228	64
Subsidiary (Note 3)	–	–	256	–
Subtotal	4,263	5,362	484	64
Other payables				
Deposits received	78	83	–	–
Related parties (Note 3) [(a)]	1,638	–	1,347	–
Dividend payable to shareholders (Note 3)	–	517	–	517
Subtotal	1,716	600	1,347	517
Total	5,979	5,962	1,831	581

[(a)] Include amount of $1,347,000 due to Mr. Ong Bee Song for proceeds of vendor shares.

29. Operating lease income commitments – as lessor

At the end of the reporting year, the total of undiscounted lease amounts to be received on an annual basis on the operating lease let out is not significant.

	Group	
	2021 $'000	2020 $'000
Rental income for the year	222	220

Operating lease income is for the rental of vehicles. The lease to the outside party tenant is on yearly basis with no commitment terms.

30. Capital commitments

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the consolidated financial statements are as follows:

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Capital commitments in respect of:				
– commitments to purchase plant and equipment	1,288	107	–	–
– investment in a joint venture [(a)]	–	450	–	450
– investment in subsidiary [(b)]	276	–	–	–

(a) On 22 July 2020, the shareholders of the joint venture, Delta Bridge Pte. Ltd. ("**Delta**") agreed to make available an unsecured and interest-free advance amounting to $450,000 each to Delta in proportion to their respectively shareholdings. The Group had capitalised the advance of $450,000 into ordinary shares in Delta on 12 March 2021.

(b) The Group incorporated GB Global Philipphines Corporation ("**GBGP**") on 5 April 2021 and committed to inject a capital of $276,000.

31. Financial instruments: information on financial risks

31A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Financial assets				
Financial asset at amortised cost	21,849	11,085	9,368	412
Financial liabilities				
Financial liabilities at amortised cost	13,715	14,680	1,831	581

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

31. Financial instruments: information on financial risks (cont'd)

31B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures Management has certain practices for the management of financial risks. However these are not formally documented in written form.

The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior staff.
4. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

31C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the consolidated financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

31D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance. Under this general approach the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables and contract assets. For credit risk on trade receivables, contract assets and other financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 22 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

31. Financial instruments: information on financial risks (cont'd)

31E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2020: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group Non-derivatives financial liabilities	Less than 1 year $'000	2 – 5 years $'000	After 5 years $'000	Total $'000
2021				
Gross borrowings commitments	1,164	3,080	283	4,527
Gross lease liabilities	482	1,387	4,262	6,131
Trade and other payables	5,901	–	–	5,901
At end of the year	7,547	4,467	4,545	16,559
2020				
Gross borrowings commitments	1,449	3,645	447	5,541
Gross lease liabilities	467	1,446	4,415	6,328
Trade and other payables	5,879	–	–	5,879
At end of the year	7,795	5,091	4,862	17,748
Company				
Non-derivatives financial liabilities				
2021				
Trade and other payables	1,831	–	–	1,831
2020				
Trade and other payables	581	–	–	581

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

Bank facilities:

	Group	
	2021 $'000	2020 $'000
Undrawn borrowing facilities	9,250	9,335

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations.

31. Financial instruments: information on financial risks (cont'd)

31F. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed interest rates and floating interest rates. The following table analyses the breakdown of the significant financial instruments (excluding derivatives) by type of interest rate:

	Group	
	2021 $'000	2020 $'000
Financial liabilities with interest		
Fixed rates	3,492	3,925
Floating rates	4,322	4,877
	7,814	8,802

The floating rate debt instruments are with interest rates that are re-set regular intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis:

	Group	
	2021 $'000	2020 $'000
Financial liabilities		
A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would have an effect on pre-tax profit for the year by	43	49

The analysis has been performed for floating interest rate over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on net expenses. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

31G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Analysis of amounts denominated in non-functional currency:

Group	United States dollar $'000	Euro $'000	Total $'000
2021			
Financial assets			
Cash and cash equivalents	117	69	186
Net financial assets at end of the year	117	69	186
2020			
Financial assets			
Cash and cash equivalents	329	123	452
Net financial assets at end of the year	329	123	452

31. Financial instruments: information on financial risks (cont'd)

31G. Foreign currency risks (cont'd)

This is exposure foreign currency risk as part of its normal business.

Sensitivity analysis:

	2021 $'000	2020 $'000
A hypothetical 10% strengthening in the exchange rate of the functional currency S$ against the following currencies with all other variables held constant would have an adverse effect on pre-tax profit of		
– United States dollar	(12)	(32)
– Euro	(7)	(12)

The table shows sensitivity to the hypothetical percentage variations in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

32. Changes and adoption of financial reporting standards

For the current reporting year, new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

SFRS No.	Title
SFRS (I) 3	Definition of a Business – Amendments The Conceptual Framework for Financial Reporting
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments

33. New or amended standards in issue but not yet effective

For the future reporting years, certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the Group for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the consolidated financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS No.	Title	Effective date for periods beginning on or after
SFRS (I) 3	Definition of a Business – Reference to the Conceptual Framework – Amendments to	1 January 2022
SFRS (I) 1-16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments to	1 January 2022
Various	Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
SFRS (I) 1-1	Presentation of Financial Statements – Amendment relating to Classification of Liabilities as Current or Non-current	1 January 2023
SFRS (I) 1-1 and SFRS (I) Practice Statement 2	Disclosure of Accounting Policies – Amendments to	1 January 2023
SFRS (I) 1-8	Defination of Accounting Estimates – Amendments to	1 January 2023
SFRS (I) 1-12, SFRS (I) 1	Deferred Tax related to Assets and Liabilities arising from a Single Transactions	1 January 2023

STATISTICS OF SHAREHOLDINGS

As at 30 September 2021

Issued and fully paid-up capital	:	S$22,901,188
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share
Number of issued shares	:	214,000,000
Number of treasury shares	:	NIL
Number of subsidiary holdings	:	NIL

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2021

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	93	10.45	85,400	0.04
1,001 - 10,000	404	45.39	2,162,000	1.01
10,001 - 1,000,000	385	43.26	26,092,227	12.19
1,000,001 and Above	8	0.90	185,660,373	86.76
TOTAL	**890**	**100.00**	**214,000,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2021

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	BCS DEVELOPMENT PTE. LTD.	159,879,670	74.71
2	ONG BEE CHIP	8,932,608	4.17
3	LIM GUAN PHENG	6,233,800	2.91
4	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,395,000	2.05
5	ONG CHEW YONG	2,929,895	1.37
6	MAYBANK KIM ENG SECURITIES PTE. LTD	1,182,600	0.55
7	IFAST FINANCIAL PTE LTD	1,105,800	0.52
8	GOH GUAN SIONG (WU YUANXIANG)	1,001,000	0.47
9	KOH AH NGO	1,000,000	0.47
10	LIM KIM HUAT	1,000,000	0.47
11	DBS NOMINEES PTE LTD	953,700	0.45
12	LIM KAR HWEE	684,800	0.32
13	OCBC SECURITIES PRIVATE LTD	671,000	0.31
14	NG BOON ANN	600,000	0.28
15	PHILLIP SECURITIES PTE LTD	590,700	0.28
16	TAN HANG HUA	580,000	0.27
17	NG KIM SHAN	500,000	0.23
18	NG SIEW WAN	500,000	0.23
19	CHEW THYE CHUAN OR TAN SEW MAI	449,900	0.21
20	TEO PHANG YAN	419,000	0.20
	Total:	**193,609,473**	**90.47**

SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct Interest		Deemed Interests	
		No. of shares held	%	No. of shares held	%
1.	BCS Development Pte. Ltd. [1][2]	159,879,670	74.71	910,000	0.43
2.	Ong Bee Song [1]	–	–	160,789,670	75.14
3.	Ong Bee Chip [1]	8,932,608	4.17	160,789,670	75.14

Notes:

(1) BCS Development Pte. Ltd. ("**BCS**") is an investment holding company incorporated in Singapore on 11 April 2021. BCS is owned by Ong Bee Chip (50.0%), Ong Bee Song (33.3%), and Ong Chew Yong (16.7%). Accordingly, each of Ong Bee Chip and Ong Bee Song is deemed to have an interest in the Shares in which BCS has an interest, by virtue of section 4 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**").

(2) BCS is deemed to have an interest in the 910,000 Employee Shares held by the 32 employees to whom the Employee Shares were transferred in the course of the BCS Restructuring by virtue of section 4 of the SFA.

COMPLIANCE WITH RULE 723 OF THE SGX-ST LISTING MANUAL SECTION B: RULES OF CATALIST

Based on information available and to the best knowledge of the Directors, as at 30 September 2021, approximately 19.68% of the ordinary shares of the Company are held by the public. The Company is therefore in compliance with Rule 723 of the SGX-ST Listing Manual Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of OTS Holdings Limited (the "**Company**") will be held by way of electronic means on Friday, 29 October 2021 at 2.00 p.m. (the "**AGM**") for the purpose of transacting the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2021 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final tax exempt (one-tier) dividend of 0.70 Singapore cents per ordinary share for the financial year ended 30 June 2021. **(Resolution 2)**

3. To approve the payment of Directors' fees of S$62,000 for the financial year ended 30 June 2021. **(Resolution 3)**

4. To approve the payment of Directors' fee of S$124,000 for the financial year ending 30 June 2022, to be paid annually in arrears. **(Resolution 4)**

5. To re-elect Dr. Yu Lai Boon who is retiring pursuant to Regulation 95 of the Constitution of the Company, and who, being eligible, offer himself for re-election. *(See explanatory note 1)* **(Resolution 5)**

6. To re-elect Mr. Chan Hiang Tiak who is retiring pursuant to Regulation 95 of the Constitution of the Company, and who, being eligible, offer himself for re-election. *(See explanatory note 2)* **(Resolution 6)**

7. To re-elect Ms. Tan Poh Hong who is retiring pursuant to Regulation 95 of the Constitution of the Company, and who, being eligible, offer herself for re-election. *(See explanatory note 3)* **(Resolution 7)**

8. To re-elect Mr. Ong Bee Chip who is retiring by rotation pursuant to Regulation 96 of the Constitution of the Company, and who, being eligible, offer himself for re-election. *(See explanatory note 4)* **(Resolution 8)**

9. To re-elect Mdm. Ong Chew Yong who is retiring by rotation pursuant to Regulation 96 of the Constitution of the Company, and who, being eligible, offer herself for re-election. *(See explanatory note 5)* **(Resolution 9)**

10. To re-appoint Messrs RSM Chio Lim LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 10)**

11. To transact any other ordinary business which may properly be transacted at an AGM.

SPECIAL BUSINESS

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

12. Authority to allot and issue shares **(Resolution 11)**

That, pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore (the "**Companies Act**") and Rule 806 of the Listing Manual (Section B: Rules of Catalist) of the Listing Manual ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

(a) (i) allot and issue shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

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

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

(1) the aggregate number of Shares and convertible securities to be allotted and issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and convertible securities to be allotted and issued other than on a *pro rata* basis to the existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted) shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (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 (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) that may be issued under sub-paragraph (1) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercising share options or vesting of share awards, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares.

Provided further that adjustments in accordance with (i) and (ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution approving the mandate.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Companies Act, and otherwise, the Company's Constitution for the time being; and

(4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the Company's next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.
(See Explanatory Note 6)

13. Proposed Renewal of the General Mandate for Interested Person Transactions **(Resolution 12)**

That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), for the Company, its subsidiaries and associated companies (if any) which fall within the definition of "entities at risk" under Chapter 9 of the Catalist Rules, or any of them, to enter into any of the transactions falling within the categories of interested person transactions described in the "Letter to Shareholders in relation to Proposed Renewal of the General Mandate for Interested Person Transactions" enclosed in the Company's Annual Report 2021 with Swee Heng Bakery Pte Ltd, provided that such transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders, and are entered into in accordance with the review procedures for such interested person transactions (the "**IPT General Mandate**");

(b) the IPT General Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier;

(c) the Audit and Risk Management Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the review procedures and/or modify or implement such review procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Catalist Rules, which may be prescribed by the SGX-ST from time to time; and

(d) each of the Directors be and is hereby authorised and empowered to complete and do and execute all such things and acts as he may consider necessary or appropriate to give effect to this resolution and the IPT General Mandate, with such modifications thereto (if any) as he may think fit in the interests of the Company.
[See Explanatory Note 7]

BY ORDER OF THE BOARD

Lee Pay Lee
Company Secretary

Singapore, 14 October 2021

Explanatory Notes:

1. Dr. Yu Lai Boon, upon re-election as a Director of the Company, will remain as a Non-Executive Independent Director, the Chairman of the Board and Audit and Risk Management Committee and member of Nominating Committee and Remuneration Committee. The Board considers Dr. Yu Lai Boon to be independent for the purpose of Rule 704(7) of the Catalist Rules. Pursuant to Rule 720(5) of the Catalist Rules, further information on Dr. Yu Lai Boon is set out on the pages 104 to 114 of the Company's Annual Report.

2. Mr. Chan Hiang Tiak, upon re-election as a Director of the Company, will remain as a Non-Executive and Independent Director, the Chairman of Remuneration Committee and the member of Audit and Risk Management Committee and Nominating Committee. The Board considers Mr. Chan Hiang Tiak to be independent for the purpose of Rule 704(7) of the Catalist Rules. Pursuant to Rule 720(5) of the Catalist Rules, further information on Mr. Chan Hiang Tiak is set out on the pages 104 to 114 of the Company's Annual Report.

3. Ms. Tan Poh Hong, upon re-election as a Director of the Company, will remain as a Non-Executive and Independent Director, the Chairman of Nominating Committee and the member of Audit and Risk Management Committee and Remuneration Committee. The Board considers Ms. Tan Poh Hong to be independent for the purpose of Rule 704(7) of the Catalist Rules. Pursuant to Rule 720(5) of the Catalist Rules, further information on Ms. Tan Poh Hong is set out on the pages 104 to 114 of the Company's Annual Report.

4. Mr. Ong Bee Chip, upon re-election as a Director of the Company, will remain as Managing Director of the Company. Pursuant to Rule 720(5) of the Catalist Rules, further information on Mr. Ong Bee Chip is set out on the pages 104 to 114 of the Company's Annual Report.

5. Mdm. Ong Chew Yong, upon re-election as a Director of the Company, will remain as Executive Director of the Company. Pursuant to Rule 720(5) of the Catalist Rules, further information on Mdm. Ong Chew Yong is set out on the pages 104 to 114 of the Company's Annual Report.

6. Resolution 11 in item 12 above, if passed, will empower the Directors of the Company, effective from the date of the AGM until conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments and to issue Shares pursuant to such Instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this resolution, for such purposes as the Directors of the Company may consider would be in the best interest of the Company. The aggregate number of Shares (including Shares to be made in pursuant to Instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing of this Resolution. For issues of Shares (including Shares to be made in pursuance to Instruments made or granted pursuant to this Resolution) other than a *pro-rata* basis to all shareholders shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution.

7. Resolution 12 in item 13 above, if passed, will renew the IPT General Mandate initially approved by shareholders on 31 May 2021 to allow the EAR Group (as defined in the "Letter to Shareholders in relation to Proposed Renewal of the General Mandate for Interested Person Transactions" enclosed in the Company's Annual Report 2021 (the "**Letter**")), or any of them, to enter into transactions with the Mandated Interested Person (as defined in the Letter). Please refer to the Letter for details relating to the said IPT General Mandate.

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT NOTES:

The AGM is being convened, and will be held, by way of 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. Printed copies of the Notice of AGM and accompanying Annual Report 2021, Appendix and proxy form will not be sent to members. Instead, these documents will be made available on SGXNet at https://www.sgx.com/securities/company-announcements.

The Company is arranging for a live webcast and live audio feed of the AGM proceedings (the "**Live AGM Webcast**" or "**Live AGM Audio Feed**") which will take place on Friday, 29 October 2021 at 2.00 p.m. in place of the physical AGM. **Members will be able to watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed, and the Company will not accept any physical attendance by members. Any member seeking to attend the AGM physically in person will be turned away**.

Members will be able to participate in the AGM in following manner set out in the paragraphs below:

Live AGM Webcast and Live AGM Audio Feed:

1. Members may watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed. To do so, members will need to pre-register at https://globalmeeting.bigbangdesign.co/ots/ (the "**Registration Link**") by 2.00 p.m. on 25 October 2021 (the "**Registration Deadline**") to enable the Company to verify their status.

2. Following verification, authenticated members will receive an email on 27 October 2021 containing instructions to access the Live AGM Webcast of the AGM proceedings or a telephone number to access the Live AGM Audio Feed of the AGM proceedings, according to their preferred mode of accessing the AGM proceeding selected during the pre-registration process.

3. Members must not forward the abovementioned link or telephone number to other persons who are not members of the Company and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast or the Live AGM Audio Feed.

4. Members who have registered by the Registration Deadline but did not receive an email response by 27 October 2021 may contact the Company's webcast vendor by email at webcast@bigbangdesign.co

Submission of Proxy Forms to Vote:

1. **Members will not be able to vote online or through the Live AGM Webcast or the Live AGM Audio Feed on the resolutions to be tabled for approval at the AGM. Members who wish to exercise their votes must submit a proxy form to appoint the Chairman of the AGM to cast votes on their behalf.**

2. Members (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

3. The Chairman of the AGM, as proxy, need not be a member of the Company.

4. The proxy form, duly completed and signed, must be submitted by:

   (a) mail to the Company's share registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898; or

   (b) email to sg.is.proxy@sg.tricorglobal.com,

   in either case, by no later than 2.00 p.m. on 26 October 2021, being seventy-two (72) hours before the time fixed for the AGM. Any incomplete/improperly completed proxy form (including proxy form which is not appointing "Chairman of the Meeting" as proxy) will be rejected by the Company.

   Members are strongly encouraged to submit completed proxy forms electronically via email in view of the current COVID-19 situation.

5. Investors who hold Shares through relevant intermediaries as defined in Section 181 of the Companies Act, including investors under the Central Provident Fund and the Supplementary Retirement Scheme ("**CPF and SRS Investors**"), who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective CPF Agent Banks and SRS Operators to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 2.00 p.m. on 19 October 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf.

Submission of Questions in Advance:

1. **Please note that members will not be able to ask questions at the AGM during the Live AGM Webcast or the Live AGM Audio Feed, and therefore it is important for members to pre-register their participation in order to be able to submit their questions in advance of the AGM.**

2. Members may submit questions relating to the items on the agenda of the AGM by from now till 2.00 p.m. on 22 October 2021, via the **Registration Link** or email to shiya.ong@ots-holdings.com.

3. The Company will endeavour to address the substantial and relevant questions before or during the AGM. The responses to questions from members will be posted on the SGXNet soonest possible before the AGM, or if answered during the AGM, to be included in the minutes of the AGM which will be published on the SGXNet within one (1) month after the date of the AGM.

Investors who hold Shares through Relevant Intermediaries (as defined in Section 181 of the Companies Act):

1. Such investors (including CPF and SRS Investors) who wish to participate in the AGM by:

   a. observing or listening to the AGM proceedings contemporaneously via the Live AGM Webcast or the Live AGM Audio Feed;

   b. submitting questions in advance of the AGM; and/or

   c. voting by appointing the Chairman of the AGM as proxy at the AGM.

   should contact the relevant intermediary through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

A depositor shall not be regarded as a member of the Company entitled to attend and vote at the AGM unless his/her name appears on the Depository Register not less than seventy-two (72) hours before the time of the AGM.

IMPORTANT REMINDER: Members should also note that the Company may be required to make further changes to its AGM arrangements at short notice, the members should keep abreast of the Company's announcements that may be made from time to time on SGXNet.

The Company wishes to thank all members for their patience and co-operation in enabling the Company to hold the AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the annual general meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the annual general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the annual general meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines and (ii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*This notice has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.*

The contact person for the Sponsor is Ms. Charmian Lim (Tel: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

ADDITIONAL INFORMATION ON RE-ELECTION OF DIRECTORS

Name of Director	Yu Lai Boon ("Dr. Yu")	Chan Hiang Tiak ("Mr. Chan")	Tan Poh Hong ("Ms. Tan")	Ong Bee Chip ("Mr. Ong")	Ong Chew Yong ("Mdm. Ong")
Date of Appointment	19 May 2021	19 May 2021	19 May 2021	3 March 2015	3 March 2015
Date of last re-appointment (if applicable)	N/A	N/A	N/A	N/A	N/A
Age	57	61	62	57	61
Country of principal residence	Singapore	Singapore	Singapore	Singapore	Singapore
The Board's Comments on the appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Dr. Yu as the Non-Executive and Independent Director was recommended by the Nominating Committee ("**NC**") and the Board has accepted the recommendation, after taking into consideration his qualifications, past experience and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr. Chan as the Non-Executive and Independent Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, past experience and overall contribution since he was appointed as a Director of the Company.	The re-election of Ms. Tan as the Non-Executive and Independent Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration her qualifications and past experience since she was appointed as a Director of the Company.	The re-election of Mr. Ong as the Managing Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, past experience and overall contribution since he was appointed as a Director of the Company.	The re-election of Mdm. Ong as the Executive Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration her qualifications, past experience and overall contribution since she was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive	Executive	Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc)	Non-Executive Chairman and Independent Director, Chairman of Audit and Risk Management Committee ("**ARMC**"), member of NC and Remuneration Committee ("**RC**").	Non-Executive and Independent Director, Chairman of RC, and member of ARMC and NC.	Non-Executive and Independent Director, Chairman of NC and member of ARMC and RC.	Managing Director	Executive Director

Name of Director	Yu Lai Boon ("Dr. Yu")	Chan Hiang Tiak ("Mr. Chan")	Tan Poh Hong ("Ms. Tan")	Ong Bee Chip ("Mr. Ong")	Ong Chew Yong ("Mdm. Ong")
Professional Qualifications	- Doctor of Philosophy, University of Aberdeen in Scotland, Uniting Kingdom - Master of Science (Estate Management), National University of Singapore - Bachelor of Science (Estate Management) (Honours), National University of Singapore - A member of the Singapore Institute of Surveyors and Valuers	- Master of Business Administration (Accountancy), Nanyang Technological University - Master of Business (Information Technology), the Royal Melbourne Institute of Technology, Australia - Bachelor of Science, National University of Singapore	- Master of Business Administration (with Distinction), New York University - Bachelor of Science (Honours) in Estate Management, National University of Singapore	- Singapore-Cambridge General Certificate of Education Ordinary Level - Nanyang International Chinese Advanced Management Program certified by Nanyang Business School, Nanyang Technological University - Advanced Management Program certified by Haas School of Business, University of California Berkeley - Scale-up SG Stanford Executive Programme certified by Graduate School of Business, Stanford University	- Advanced Professional Qualification in Global Business Leadership and International Relations, McDonough School of Business, Georgetown University
Working experience and occupation(s) during the past 10 years	(a) July 2006 to April 2010: Group Chief Invetment Officer of Dubai World (b) March 2014 to December 2015: Adjunct Associate Professor of the Department of Real Estate, School of Design and Environment at the National University of Singapore (c) July 2014 to July 2016: Member of the Advisory Panel within the Singapore Land Authority	(a) January 1990 to June 2020: Partner in Pricewaterhouse Coopers LLP (b) March 2020 to present: Executive Director of Philia Means Love Pte. Ltd. (c) April 2021 to present: Senior Advisor (part-time) in Pricewaterhouse Coopers LLP	March 2009 to September 2017: Chief Executive Officer of Agri-Food and Veterinary Authority of Singapore	(a) May 2006 to current: Managing Director of Golden Bridge Foods Manufacturing Pte Ltd ("**Golden Bridge**") (b) August 2018 to current: Managing Director of Ellaziq Private Limited ("**Ellaziq Singapore**")	(a) May 2005 to current: Operations Director of Golden Bridge (b) August 2018 to current: Operations Director of Ellaziq Singapore

ADDITIONAL INFORMATION ON RE-ELECTION OF DIRECTORS

Name of Director	Yu Lai Boon ("Dr. Yu")	Chan Hiang Tiak ("Mr. Chan")	Tan Poh Hong ("Ms. Tan")	Ong Bee Chip ("Mr. Ong")	Ong Chew Yong ("Mdm. Ong")
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil	Direct interest: 8,932,608 shares in the Company (4.17%). Deemed interest: 160,789,670 shares in the Company (75.14%) Mr. Ong is deemed to be interested in the Company through BCS Development Pte. Ltd., a controlling shareholder of the Company, by virtue of section 4 of the SFA.	Direct interest: 2,929,895 shares in the Company (1.37%). Deemed interest: 30,000 shares in the Company (0.01%) Mdm. Ong is deemed to have an interest in 30,000 shares held by her spouse, Lee Tee Chin, by cirtue of section 133(4) of the SFA.
Any relationship (including immediate family relationship) with any existing director, existing executive officer the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None	None	- Brother of Mdm. Ong Chew Yong and Mr. Ong Bee Song, the Executive Director and Controlling Shareholder of the Company respectively - Father of Mr. Ong Yekai, Business Development Manager of the Company and Ms. Ong Shiya, the Brand Marketing Assistant Manager of the Company	- Sister of Mr. Ong Bee Chip and Mr. Ong Bee Song, the Managing Director and Controlling Shareholder of the Company respectively - Mother of Ms. Li Huanmin, the Operations Manager of Golden Bridge - Spouse of Mr. Lee Tee Chin, the Executive (recipe compounding) in Research and Development of Golden Bridge

Name of Director	Yu Lai Boon ("Dr. Yu")	Chan Hiang Tiak ("Mr. Chan")	Tan Poh Hong ("Ms. Tan")	Ong Bee Chip ("Mr. Ong")	Ong Chew Yong ("Mdm. Ong")
Conflict of interest (including any competing business)	None	None	Ms. Tan Poh Hong has been an independent director of Sheng Siong Group Ltd. ("**Sheng Siong**") since 5 January 2018. Sheng Siong purchases food products from the Group, and was a major customer of our Group for FY2021. Please refer to the Principal 2 of the Corporate Governance Report for further information.	None	None
Other principal commitment (including any competing Directorship)	Principal Commitment: Nil Present Directorships: 1) Koufu Group Limited 2) TSH Corporation Limited 3) Storck Bicycle (Asia Pacific) Pte. Ltd. Past Directorships (for the last 5 years): Nil	Principal Commitment: PricewaterhouseCoopers LLP Present Directorships: 1) Philia Means Love Pte. Ltd. Past Directorships (for the last 5 years): Nil	Principal Commitment: Nil Present Directorships: 1) APAC Realty Limited 2) VICOM Ltd 3) Annaik Limited 4) Centurion Corporation Limited 5) Sheng Siong Group Ltd. 6) Jilin Food Zone Pte. Ltd. Past Directorships (for the last 5 years): Agrifood Technologies Pte Ltd Barramundi Group Pte. Ltd.	Principal Commitment: OTS Holdings Limited and its subsidiaries Present Directorships: 1) Golden Bridge 2) Ellaziq Singapore 3) Ellaziq (Malaysia) Sdn Bhd ("**Ellaziq Malaysia**") 4) GB Global (Malaysia) Sdn Bhd ("**GB Malaysia**") 5) Delta Bridge Pte. Ltd. ("**Delta Bridge Singapore**") 6) Ong Tuan Seng Development Pte. Ltd. 7) BCS Development Pte. Ltd. Past Directorships (for the last 5 years): Nil	Principal Commitment: OTS Holdings Limited and its subsidiaries Present Directorships: 1) Golden Bridge 2) Ellaziq Singapore 3) Ellaziq Malaysia 4) GB Malaysia 5) Delta Bridge Singapore (Alternate Director) 6) Ong Tuan Seng Development Pte. Ltd. 7) BCS Development Pte. Ltd. Past Directorships (for the last 5 years): Nil

Name of Director	Yu Lai Boon ("Dr. Yu")	Chan Hiang Tiak ("Mr. Chan")	Tan Poh Hong ("Ms. Tan")	Ong Bee Chip ("Mr. Ong")	Ong Chew Yong ("Mdm. Ong")
Undertaking (in the format set out in Appendix 7H) under Rule 720 (1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes
Information required pursuant to Catalist Rules 704 (6) and/or 704(7)					
(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	No	No

Name of Director	Yu Lai Boon ("Dr. Yu")	Chan Hiang Tiak ("Mr. Chan")	Tan Poh Hong ("Ms. Tan")	Ong Bee Chip ("Mr. Ong")	Ong Chew Yong ("Mdm. Ong")
(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	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No	No

Name of Director	Yu Lai Boon ("Dr. Yu")	Chan Hiang Tiak ("Mr. Chan")	Tan Poh Hong ("Ms. Tan")	Ong Bee Chip ("Mr. Ong")	Ong Chew Yong ("Mdm. Ong")
(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	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No

Name of Director	Yu Lai Boon ("Dr. Yu")	Chan Hiang Tiak ("Mr. Chan")	Tan Poh Hong ("Ms. Tan")	Ong Bee Chip ("Mr. Ong")	Ong Chew Yong ("Mdm. Ong")
(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	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No

Name of Director	Yu Lai Boon ("Dr. Yu")	Chan Hiang Tiak ("Mr. Chan")	Tan Poh Hong ("Ms. Tan")	Ong Bee Chip ("Mr. Ong")	Ong Chew Yong ("Mdm. Ong")
(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	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	No	No

Name of Director	Yu Lai Boon ("Dr. Yu")	Chan Hiang Tiak ("Mr. Chan")	Tan Poh Hong ("Ms. Tan")	Ong Bee Chip ("Mr. Ong")	Ong Chew Yong ("Mdm. Ong")
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No	No

Name of Director	Yu Lai Boon ("Dr. Yu")	Chan Hiang Tiak ("Mr. Chan")	Tan Poh Hong ("Ms. Tan")	Ong Bee Chip ("Mr. Ong")	Ong Chew Yong ("Mdm. Ong")
(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?					
(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	No	No

LETTER TO SHAREHOLDERS DATED 14 OCTOBER 2021

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Letter to Shareholders ("**Letter**") is circulated to the Shareholders (as defined herein) of OTS Holdings Limited (the "**Company**"), together with the Company's annual report for the financial year ended 30 June 2021 (the "**Annual Report**"). The purpose of this Letter is to provide information to the Shareholders in relation to, and seek Shareholders' approval for the Proposed Renewal of the General Mandate for Interested Person Transactions to be tabled at the Annual General Meeting ("**AGM**") to be held on 29 October 2021 at 2:00 p.m. by way of electronic means.

If you are in any doubt as to the contents herein or as to any action you should take, you should consult your broker, bank manager, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Letter, the Annual Report and enclosed documents to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or the transferee.

This Letter has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Letter, including the correctness of any of the statements or opinions made or reports contained in this Letter.

The contact person for the Sponsor is Ms. Charmian Lim (Tel: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

This Letter has been made available on SGXNet. A printed copy of this Letter will NOT be despatched to Shareholders.

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the AGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the AGM by (a) watching the AGM proceedings via "live" webcast or listening to the AGM proceedings via "live" audio feed, (b) submitting questions in advance of the AGM, and/or (c) voting by appointing the Chairman as proxy at the AGM.

Shareholders should note that the Company may make further changes to its AGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 Act and any regulations promulgated thereunder (including the COVID-19 Order) as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNet.

OTS HOLDINGS LIMITED

(Company Registration No. 201505559W)
(Incorporated in Singapore on 3 March 2015)

LETTER TO SHAREHOLDERS

IN RELATION TO

PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

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DEFINITIONS

In this Letter, the following definitions apply throughout unless otherwise stated:

"**AGM**"	:	Annual general meeting of the Company
"**ARMC**"	:	The Audit and Risk Management Committee of the Company
"**Associate**"	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:- (i) his immediate family (being his spouse, child, adopted child, step-child, sibling and parent); (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"**Catalist Rules**"	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
"**Company**"	:	OTS Holdings Limited
"**Controlling Shareholder**"	:	A person who:- (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company (unless otherwise determined by the SGX-ST); or (b) in fact exercises control over the Company
"**Directors**"	:	The directors of the Company

"EAR Group"	:	For the purposes of the IPT General Mandate, collectively: (a) the Company; (b) the subsidiaries of the Company (excluding subsidiaries listed on the SGX-ST or an approved exchange); and (c) the associated companies of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Group, or the Group and its interested person(s), has or have control, and each of them, an "**Entity at Risk**"
"**Group**"	:	The Company and its subsidiaries
"**Group Financial Controller**"	:	Group Financial Controller of the Company
"**interested person**"	:	Has the meaning ascribed to it in Chapter 9 of the Catalist Rules
"**IPT General Mandate**"	:	The general mandate approved by Shareholders for the EAR Group to enter into Mandated Transactions with the Mandated Interested Person in compliance with Chapter 9 of the Catalist Rules, as further described in this Letter
"**IPT Mandate File**"	:	Has the meaning ascribed to it in Section 2.7 of this Letter
"**IPT Mandate Register**"	:	Has the meaning ascribed to it in Section 2.7 of this Letter
"**Latest Practicable Date**"	:	30 September 2021, being the latest practicable date prior to the issue of this Letter
"**Letter**"	:	This letter to Shareholders relating to the proposed renewal of the IPT General Mandate
"Mandated Transactions"	:	Has the meaning ascribed to it in Section 2.2 of this Letter
"**NTA**"	:	Net tangible assets
"**Price List**"	:	Has the meaning ascribed to it in Section 2.5 of this Letter
"**Securities Account**"	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Registered holders of Shares, except where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares mean the Depositors whose Securities Accounts are credited with Shares
"**Shares**"	:	Ordinary shares in the capital of the Company
"**Sponsor**"	:	SAC Capital Private Limited

"**Substantial Shareholder**"	:	A person who has an interest in not less than 5.0% of the total votes attached to all voting shares in the Company
"**Swee Heng**" or "**Mandated Interested Person**"	:	Swee Heng Bakery Pte Ltd
"**$**" and "**cents**"	:	Singapore dollars and cents, respectively

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore (as amended, modified or supplemented from time to time).

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

OTS HOLDINGS LIMITED

(Company Registration No. 201505559W)
(Incorporated in Singapore on 3 March 2015)

Board of Directors

Dr. Yu Lai Boon (Non-Executive Chairman and Independent Director)
Mr. Ong Bee Chip (Managing Director)
Mdm. Ong Chew Yong (Executive Director)
Mr. Chan Hiang Tiak (Independent Director)
Ms. Tan Poh Hong (Independent Director)

Registered Office

30 Senoko South Road
Singapore 758088

14 October 2021

To: The Shareholders of OTS Holdings Limited

Dear Sir/Madam

PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

We refer to the Notice of the Annual General Meeting of OTS Holdings Limited dated 14 October 2021 in respect of the AGM to be held by electronic means on Friday, 29 October 2021 at 2.00 p.m. and Resolution 12 set out under "Special Business" in the Notice of AGM.

1. INTRODUCTION

1.1 The Company anticipates that the Group would, in the ordinary course of business, enter into transactions with an "interested person" (as defined in Chapter 9 of the Catalist Rules). In view of the time-sensitive and recurrent nature of such transactions, it would be advantageous for the Company to obtain a general mandate from Shareholders pursuant to Chapter 9 of the Catalist Rules to enable the Group to enter into such transactions with the interested person which are necessary for the Group's day-to-day operations, provided that such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

1.2 Shareholders had by way of written resolutions dated 31 May 2021 approved the IPT General Mandate, the details of which are set out below. The IPT General Mandate will expire at the forthcoming AGM to be held on 29 October 2021.

1.3 Accordingly, the Directors propose to seek the approval of Shareholders for the renewal of the IPT General Mandate. The purpose of this Letter is to provide Shareholders with information relating to the proposed renewal of the IPT General Mandate.

1.4 The Company has appointed Vincent Lim & Associates LLC as the legal adviser to the Company in relation to the proposed renewal of the IPT General Mandate.

2. PROPOSED RENEWAL OF THE IPT GENERAL MANDATE

2.1 Name of the Mandated Interested Person

The IPT General Mandate applies to the Mandated Transactions that are carried out between any Entity at Risk and Swee Heng.

Swee Heng is principally engaged in the business of manufacturing bakery products and operating retail stores for such bakery products.

Swee Heng is an Associate of the Directors, Ong Bee Chip and Ong Chew Yong, and the Company's Controlling Shareholder, Ong Bee Song, being a company in which Ong Chu Eng (the sister of Ong Bee Chip, Ong Bee Song and Ong Chew Yong) holds a 50.0% shareholding interest and Ng Chai Huat (the brother-in-law of Ong Bee Chip, Ong Bee Song and Ong Chew Yong) holds a 30.0% shareholding interest. Accordingly, Swee Heng is deemed as an interested person under Chapter 9 of the Catalist Rules.

2.2 Categories of Mandated Transactions

From time to time, the EAR Group sells food products, including but not limited to raw materials and ready-to-eat and ready-to-cook meat products, such as ham, sausages and floss products that may be customised, to the Mandated Interested Person (the "**Mandated Transactions**").

Transactions between the Mandated Interested Person and the EAR Group which do not fall within the ambit of the Mandated Transactions shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules and such guidelines as set out in the section "Interested Person Transactions – Guidelines and Review Procedures for On-going and Future Interested Person Transactions other than those covered under the IPT General Mandate" of the Company's Offer Document dated 8 June 2021.

2.3 Rationale for and benefits of the IPT General Mandate

The sale of the food products to the Mandated Interested Person occurs almost on a daily basis. The Company envisages that the Mandated Transactions are likely to continue to occur frequently, in the ordinary course of the Group's business. In view of the time-sensitive and recurrent nature of the Mandated Transactions, it would be advantageous for the Company to renew the IPT General Mandate to enable the EAR Group to enter into the Mandated Transactions, provided that the Mandated Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. In addition, transactions with the Mandated Interested Person also represent an additional source of revenue for the EAR Group.

The IPT General Mandate and its subsequent renewal on an annual basis would eliminate the need to announce, or to announce and convene separate general meetings from time to time to seek Shareholders' prior approval as and when potential Mandated Transactions with the Mandated Interested Person arise, thereby saving substantial administrative time and costs expended in convening such meetings, without compromising the corporate objectives of the EAR Group and adversely affecting the business opportunities available to the EAR Group.

The IPT General Mandate is intended to facilitate the Mandated Transactions in the normal course of business of the EAR Group from time to time with the Mandated Interested Person, provided that they are carried out at arm's length and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

2.4 Requirements of Chapter 9 of the Catalist Rules

Rule 920 of the Catalist Rules allows a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not for, *inter alia,* the purchase or sale of assets, undertakings or businesses) which may be carried out with the listed company's interested persons. A general mandate is subject to annual renewal.

In accordance with the requirements of Chapter 9 of the Catalist Rules, the Company will (a) disclose in the Company's annual report the aggregate value of transactions conducted with Mandated Interested Person pursuant to the IPT General Mandate during the financial year (as well as in the annual reports for subsequent financial years that the IPT General Mandate continues to be in force); and (b) announce the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT General Mandate for the financial periods that the Company is required to report on pursuant to Rule 705 of the Catalist Rules within the time required for the announcement of such report.

For the avoidance of doubt, the IPT General Mandate will cover any and all Mandated Transactions, including transactions which have a value below S$100,000, notwithstanding that the threshold and aggregation requirements under Chapter 9 of the Catalist Rules may not apply to such transactions. While transactions below S$100,000 are not normally aggregated under Rule 906(2) of the Catalist Rules, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902 (that is, if regard has not been given to the objective of Chapter 9 of the Catalist Rules, or the economic and commercial substance of the interested person transaction, instead of legal form and technicality).

Transactions which do not fall within the ambit of the IPT General Mandate shall be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Catalist Rules and/or any applicable law. In particular, for any transaction outside the scope of the IPT General Mandate where the value of the transaction alone or in aggregation with other transactions conducted with the same interested person during the financial year is equal to or exceeds (i) 3.0% of the Group's latest audited NTA, an immediate announcement will be required, or (ii) 5.0% of the Group's latest audited NTA, independent Shareholders' approval will be required. Transactions conducted under the IPT General Mandate are not separately subject to Rules 905 and 906 of the Catalist Rules pertaining to threshold and aggregation requirements.

The IPT General Mandate, if approved for renewal at the forthcoming AGM to be held on 29 October 2021, will be effective until the earlier of the conclusion of the next AGM of the Company or the date by which such AGM is required by law to be held. Thereafter, the Company will seek the approval of Shareholders for renewal of the IPT General Mandate at each subsequent AGM, subject to satisfactory review by the ARMC of its continued application to the Mandated Transactions with the Mandated Interested Person.

2.5 Guidelines and Review Procedures for Mandated Transactions with the Mandated Interested Person

To ensure that the Mandated Transactions are carried out on an arm's length basis and on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, the EAR Group has put in place the following guidelines and review procedures for the review and approval of the Mandated Transactions under the IPT General Mandate:

(a) The guiding principle is that all Mandated Transactions shall be conducted in accordance with the EAR Group's usual business practices and pricing policies, consistent with the usual profit margins or prices extended by the EAR Group to unrelated third parties for the sale of the same or substantially similar type of products, and the terms are not more favourable to the Mandated Interested Person compared to those extended to unrelated third parties and/or are in accordance the prevailing Price List (as defined below), terms or applicable industry norms.

(b) The prices for the sale of ready-to-eat and ready-to-cook meat products to the Mandated Interested Person (the "**Price List**") shall be determined in advance with the Mandated Interested Person and approved by the Group Financial Controller or such other senior executive (who must have no interest, direct or indirect, in the Mandated Transaction) to be appointed by the ARMC. All the sale of ready-to-eat and ready-to-cook meat products to the Mandated Interested Person shall be conducted in accordance with the Price List. The price of the ready-to-eat and ready-to-cook meat products shall generally not be more favourable to the Mandated Interested Person as compared to at least two (2) other recently completed transactions with unrelated third parties, taking into account all pertinent factors, including but not limited to minimum quantity per order, delivery notice and schedule, credit terms, payment track records as well as preferential rates/discounts offered for bulk purchases.

When determining the Price List for the sale of customised ready-to-eat and ready-to-cook meat products to the Mandated Interested Person which generally do not have similar completed transactions with unrelated third parties as comparison, the Group Financial Controller shall calculate the cost of manufacturing of the customised ready-to-eat and ready-to-cook meat products to ensure that the EAR Group will always generate a positive gross margin from such sale. The gross margin from the sale shall be comparable to the gross margins generated by the EAR Group from at least two (2) recently completed transactions with unrelated third parties of similar nature, taking into account all pertinent factors, including but not limited to minimum quantity per order, delivery notice and schedule, credit terms, payment track records, availability of production capacity as well as preferential rates/discounts offered for bulk purchases.

The Price List (and its supporting documents) shall be approved by the Group Financial Controller or such other senior executive (who must have no interest, direct or indirect, in the Mandated Transaction) to be appointed by the ARMC, and shall be reviewed and endorsed by the ARMC prior to its effective date. The Price List shall also be reviewed at least once every six (6) months or any other period deemed appropriate by the ARMC to ensure the prices in the Price List are updated taking into consideration changes to the EAR Group's cost of sales.

(c) The prices for the sale of raw materials to the Mandated Interested Person shall be determined with reference to prices of at least two (2) other recently completed comparable transactions with unrelated third parties, the terms of which shall not be more favourable to the Mandated Interested Person as compared to unrelated third parties after taking into account all pertinent factors, including but not limited to the cost of such raw materials, the availability of such raw materials, delivery notice and schedule, credit terms and payment track records.

(d) In the event that it is not practicable or possible to compare such sale against the unrelated third party transactions, the Group Financial Controller or such other senior executive (who must have no interest, direct or indirect, in the Mandated Transaction) to be appointed by the ARMC, will determine whether the prices and terms offered to the Mandated Interested Person are fair and reasonable and in accordance with the EAR Group's usual business practices and pricing policies or industry norms, taking into account the historical prices charged by the EAR Group for such products and gross margin to be generated by the EAR Group from such sale.

2.6 Approval threshold for Mandated Transactions with the Mandated Interested Person

Given the low value of each Mandated Transaction (typically less than S$20,000) and the regular frequency of the Mandated Transactions, all Mandated Transactions will be tabled to the ARMC for review and endorsement as and when the cumulative value of the Mandated Transactions during the same financial year (excluding those which have already been reviewed and endorsed or approved by the ARMC) exceeds 3.0% of the latest audited NTA of the Group.

The above approval thresholds are adopted after taking into account, among other things, the nature, volume, frequency and size of the transactions as well as the EAR Group's day-to-day operations, administration and businesses. The approval thresholds act as an additional safeguard to supplement the guidelines and review procedures implemented for the Mandated Transactions.

The ARMC may, as it deems fit, request for additional information pertaining to the transaction from independent sources or advisers. If a member of the ARMC has an interest, whether direct or indirect, in relation to that particular Mandated Transaction, he will, and will undertake to ensure that his Associates will, abstain from any decision-making in respect of that particular Mandated Transaction.

2.7 Additional review procedures for Mandated Transactions with the Mandated Interested Person

The Company will also implement the following procedures for the record keeping of all Mandated Transactions with the Mandated Interested Person:

(a) The Company will maintain a register of the Mandated Transactions (the "**IPT Mandate Register**"). All documents related to the Mandated Transactions will be filed in a separate file (the "**IPT Mandate File**") for ease of tracking and monitoring. The IPT Mandate File will contain all forms and checklists in relation to the Mandated Transactions (including the bases on which the Mandated Transactions are entered into). The IPT Mandate File will also contain invoices and payment vouchers in relation to the Mandated Transactions. The Group Financial Controller will review the IPT Mandate File on a monthly basis.

(b) The ARMC shall review the IPT Mandate Register and the IPT Mandate File on a semi-annual basis (or at such frequency as the ARMC may deem necessary) to ascertain that the established review procedures to monitor the Mandated Transactions have been complied with, and carried out on normal commercial terms. Such reviews include the review of the transactions and their supporting documents or such other data deemed necessary by the ARMC. The ARMC may request for additional information pertaining to the transactions under review from independent sources, advisers or valuers as it deems fit.

(c) The internal auditors of the Company will, on an annual basis, review the IPT Mandate File to ascertain that the guidelines and review procedures established for the Mandated Transactions have been adhered to. Any discrepancies or significant variances from the EAR Group's usual business practices and pricing policies will be highlighted to the ARMC.

(d) If pursuant to the relevant reviews, the ARMC is of the view that the established guidelines and review procedures as stated above have become inappropriate or insufficient to ensure that the Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, in view of changes to the nature of, or the manner in which, the business activities of the EAR Group are conducted, it will take such actions as it deems appropriate and/or modify or implement additional methods and procedures as necessary, and where relevant, seek a fresh Shareholders' general mandate based on new guidelines and review procedures for the Mandated Transactions. The interested persons who have an interest in the Mandated Transactions and their Associates will abstain from voting on such resolutions. The interested persons and their Associates shall also not act as proxies in relation to such resolutions unless specific instructions as to voting have been given by the Shareholders. During the period prior to obtaining a fresh general mandate from Shareholders, all transactions with the Mandated Interested Person will be subject to prior review and approval by the ARMC.

(e) The ARMC and the Board of Directors of the Company will also ensure that all disclosure, approval and other requirements on the Mandated Transactions, including those required by prevailing laws, rules and regulations, the Catalist Rules (in particular, Chapter 9 thereof) and relevant accounting standards are complied with. Pursuant to the Catalist Rules, the Company will make the required disclosure in relation to the Mandated Transactions in its annual report during the relevant financial year under review.

3. AUDIT AND RISK MANAGEMENT COMMITTEE'S STATEMENT

The ARMC (currently comprising Dr. Yu Lai Boon, Mr. Chan Hiang Tiak and Ms. Tan Poh Hong) has reviewed the terms of the IPT General Mandate and confirms that the method and procedures for determining the transaction prices of the Mandated Transactions under the IPT General Mandate (as disclosed in the Company's offer document dated 8 June 2021) have not changed since the last Shareholders' approval on 31 May 2021 and that such methods and procedures, if adhered to, are sufficient to ensure that the Mandated Transactions with the Mandated Interested Person will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

4. DIRECTORS' RECOMMENDATION

Having fully considered the rationale set out in this Letter, the Directors who are considered independent for the purposes of the proposed renewal of the IPT General Mandate, namely Dr. Yu Lai Boon, Mr. Chan Hiang Tiak and Ms. Tan Poh Hong, are of the opinion that the IPT General Mandate will enhance the efficiency of the Company and the Group and is in the best interests of the Company and the Group, and therefore recommend that Shareholders vote in favour of the resolution to approve the renewal of the IPT General Mandate as set out in the Notice of AGM.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares as at Latest Practicable Date, as recorded in the Register of Director's Shareholdings and the Register of Substantial Shareholders kept by the Company, are set out below:-

	Direct Interest		Deemed Interest	
	Number of Shares	%[1]	Number of Shares	%[1]
Directors				
Yu Lai Boon	–	–	–	–
Ong Bee Chip[2]	8,932,608	4.17	160,789,670	75.14
Ong Chew Yong[3]	2,929,895	1.37	30,000	0.01
Chan Hiang Tiak	–	–	–	–
Tan Poh Hong	–	–	–	–
Substantial Shareholders (other than Directors)				
BCS Development Pte. Ltd. [2], [4]	159,879,670	74.71	910,000	0.43
Ong Bee Song[2]	–	–	160,789,670	75.14

Notes:

(1) Percentage computed based on the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company, being 214,000,000 Shares, as at the Latest Practicable Date.

(2) BCS Development Pte. Ltd. ("**BCS**") is an investment holding company incorporated in Singapore on 11 April 2021. As at the Latest Practicable Date, BCS is owned by Ong Bee Chip (50.0%), Ong Bee Song (33.3%), and Ong Chew Yong (16.7%). Accordingly, each of Ong Bee Chip and Ong Bee Song is deemed to have an interest in the Shares in which BCS has an interest, by virtue of section 7 of the Companies Act.

(3) Ong Chew Yong is deemed to have an interest in 30,000 Shares held by her spouse, Lee Tee Chin, by virtue of section 164 of the Companies Act.

(4) BCS is deemed to have an interest in the 910,000 Shares held by 32 employees of the Group, by virtue of section 7 of the Companies Act.

6. ABSTENTION FROM VOTING

In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, interested persons who have an interest in the Mandated Transactions and their Associates shall abstain from voting on the resolution approving the renewal of the IPT General Mandate. Furthermore, such interested persons shall not act as proxies in relation to such resolution unless voting instructions have been given by the appointing Shareholder.

In view of the above, the Directors, Mr. Ong Bee Chip and Mdm. Ong Chew Yong, and the Company's Controlling Shareholder, Mr. Ong Bee Song, will abstain, and have undertaken to ensure that their respective Associates will abstain, from voting on the resolution approving the renewal of the IPT General Mandate, and the Company will disregard any votes cast on the resolution by such persons. They shall also not act as proxies in relation to such resolution unless specific voting instructions have been given by the appointing Shareholder.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after having made all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the renewal of the IPT General Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

8. **DISCLAIMER**

The SGX-ST takes no responsibility for the accuracy of any of the statements or opinions made or reports contained in this Letter.

Yours faithfully

For and on behalf of the Board of Directors of
OTS HOLDINGS LIMITED

Dr. Yu Lai Boon
Non-Executive Chairman and Independent Director

OTS HOLDINGS LIMITED

(Company Registration Number: 201505559W)
(Incorporated in the Republic of Singapore)

PROXY FORM

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 October 2021.

Important:

1. The Annual General Meeting ("**AGM**" or the "**Meeting**") is being convened, and 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. Alternative arrangements relating to, among others, attendance via electronic means, submission of questions in advance and/or voting by proxy at the AGM are set out in the Notice of AGM dated 14 October 2021 which has been uploaded on SGXNet on the same day.
2. A member will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. This proxy form is not valid for use by investors holdings shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)) ("**Investor**") (including investors, holding through Central Provident Fund Investment Scheme ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS Investors**") and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS Investors who wishes to vote should approach his/her CPF Agent Banks or SRS Operator by 2.00 p.m. on 19 October 2021, being seven (7) working days before the AGM to submit his/her voting instructions.
4. 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 AGM dated 14 October 2021.
5. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to vote on his/her/ its behalf at the AGM.

This form of proxy has been made available on SGXNet and may be assessed at the URLs http://www.sgx.com/securities/company-announcements. A printed copy of this proxy form will not be despatched to members.

*I/We _____ Name) *(NRIC/Passport/ Co. Registration No.) _____

of _____ (Address)

being a member/members of OTS Holdings Limited (the "**Company**") hereby appoint the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the AGM to be held by way of electronic means via live webcast and live audio feed on Friday, 29 October 2021 at 2.00 p.m. and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to exercise all your votes "For" or "Against" the relevant resolution, please tick [√] within the relevant box provided. Alternatively, please indicate the number of votes "For" or "Against" each resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with a "√" in the "Abstain" box. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting. **In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.**)

No.	Resolutions	For*	Against*	Abstain
	Ordinary Business			
1	To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 30 June 2021 together with the Auditors' Report thereon.			
2	To declare a final tax exempt (one-tier) dividend.			
3	To approve the payment of Directors' fees of S$62,000 for the financial year ended 30 June 2021.			
4	To approve the payment of Directors' fees of S$124,000 for the financial year ending 30 June 2022, to be paid annually in arrears.			
5	To re-elect Dr. Yu Lai Boon as a Director.			
6	To re-elect Mr. Chan Hiang Tiak as a Director.			
7	To re-elect Ms. Tan Poh Hong as a Director.			
8	To re-elect Mr. Ong Bee Chip as a Director.			
9	To re-elect Mdm. Ong Chew Yong as a Director.			
10	To re-appoint Messrs RSM Chio Lim LLP as Auditors of the Company and authorise the Directors to fix their remuneration.			
	Special Business			
11	To authorise Directors to allot and issue Shares.			
12	To approve the renewal of the General Mandate for Interested Person Transactions.			

Dated this _____ day of _____ 2021

Total No. of Shares in	No. of Shares
CDP Register	
Register of Members	

_____

Signature of Shareholder(s)
Or, Common Seal of Corporate Shareholder

* delete accordingly

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the AGM as proxy shall be deemed to relate to all the Shares held by you.

2. Members will not be able to vote online or through the live webcast and live audio feed on the resolutions to be tabled for approval at the AGM. Members who wish to exercise their votes must submit a proxy form to appoint the Chairman of the AGM to cast votes on their behalf. Member (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

3. The Chairman of the Meeting, as a proxy, need not be a member of the Company.

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

5. Where an instrument appointing Chairman of the Meeting as proxy is signed and authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument, failing which the instrument may be treated as invalid.

6. The instrument appointing Chairman of the Meeting as proxy, duly executed, must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898, or emailed to: sg.is.proxy@sg.tricorglobal.com, not less than seventy-two (72) hours before the time appointed for the holding of the AGM.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

   Members are strongly encouraged to submit completed proxy forms via email to the email address provided above in view of the current COVID-19 situation.

7. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy. In addition, in the case of the members of the Company whose shares entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting a proxy form appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 October 2021.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Yu Lai Boon
(Non-Executive Chairman and Independent Director)

Ong Bee Chip
(Managing Director)

Ong Chew Yong
(Executive Director)

Chan Hiang Tiak
(Independent Director)

Tan Poh Hong
(Independent Director)

AUDIT AND RISK MANAGEMENT COMMITTEE

Yu Lai Boon *(Chair)*

Chan Hiang Tiak

Tan Poh Hong

NOMINATING COMMITTEE

Tan Poh Hong *(Chair)*

Yu Lai Boon

Chan Hiang Tiak

REMUNERATION COMMITTEE

Chan Hiang Tiak *(Chair)*

Yu Lai Boon

Tan Poh Hong

COMPANY SECRETARY

Lee Pay Lee *(ACIS)*

REGISTERED OFFICE

30 Senoko South Road
Singapore 758088
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Fax: +65 6758-8580
enquiry@ots-holdings.com
www.ots-holdings.com

COMPANY REGISTRATION NUMBER

201505559W

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
80 Robinson Road #02-00
Singapore 068898

INDEPENDENT AUDITOR AND REPORTING ACCOUNTANT

RSM Chio Lim LLP
8 Wilkie Road
#04-08 Wilkie Edge
Singapore 228095
Partner-in-charge: Pang Hui Ting
Date of Appointment: 25 March 2015

INTERNAL AUDITOR

Yang Lee & Associates
10 Anson Road
#31-03 International Plaza
Singapore 079903

PRINCIPAL BANKER

DBS Bank Ltd.
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

SPONSOR

SAC Capital Private Limited
1 Robinson Road
#21-00 AIA Tower
Singapore 048542



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