INTRACO LIMITED

STEPPING INTO A NEW ERA

2021 ANNUAL REPORT

OUR VISION

To be an investment holding company with diversified leading businesses, creating value for our stakeholders in the communities across Asia

OUR MISSION

To grow our business with leadership positions in markets, industry and technology.

To achieve profitable and sustainable growth through value-add strategic and proactive management of our investments.

POSITIONING FOR SUCCESS

The unprecedented events in 2021 have presented the Company with an opportunity to “reset” and make a **game changing move**

CONTENTS

EMBRACING TRANSFORMATION

By **transforming** itself during exceptionally challenging circumstances, the Company will be better placed to re-deploy its capital into higher margin and higher growth businesses

INTRACO IN NUMBERS

S$203,977,000
REVENUES

S$56,090,000
NET ASSET VALUE

S$22,921,000
TOTAL CASH

2,999
SHAREHOLDERS

96
EMPLOYEES

53
YEARS OF HISTORY

3
CURRENT BUSINESSES

2
MAJOR REGIONS

1.4%
L/T DEBT TO EQUITY

1
VISION

ABOUT INTRACO

Intraco Limited ("Intraco") was founded in 1968 by the Singapore Government and was the country's trading arm to explore overseas markets and identify new sources of raw materials.

It played a key role in the growth of Singapore as a young nation, which then had to rely on an export-oriented industrialisation strategy.

Intraco has been listed on the Singapore Exchange since 1972 and for three decades from 1974 to 2003, Intraco was incorporated as part of the investment portfolio of Temasek Holdings, the state investment arm.

Today, Intraco has evolved into a reputable investment holding company, with an experienced board and substantial major shareholders.

The Company invests in three lines of businesses with presence in the key emerging markets of Asia: Vietnam, Indonesia, Malaysia and China, in addition to its home base in Singapore.

Intraco, through its subsidiaries and joint venture, is mainly engaged in: the trading of plastic resins; provision of passive fire protection services and provision of mobile radio infrastructure management services.

The Company actively partners its portfolio companies by providing both financial and operational expertise and helping these companies chart their strategic direction and growth initiatives.

Intraco's strong regional network and culture of integrity, professionalism and performance have helped ensure an enduring brand reputation over the years.

The Company will strive to continually create shareholder value by growing the businesses in its portfolio and driving long-term growth and sustainability through new investments.

For more information, please visit www.intraco.com

MILESTONES

1968	Year of incorporation
1972	Listed on Singapore Exchange
1974	Incorporated into the portfolio of Temasek Holdings
1986	Intraco share price reaches S$3.86
1993	Reached all-time high market cap of S$278m
1994	Established Intraco Trading (Plastics Division)
1995	Recorded all-time high revenue of S$918m
1997	Established Intrawave
1999	Recorded all-time high PAT of S$19m
2003	Divested by Temasek Holdings
2009	Invested in Dynamic Colours
2013	Established Tat Hong Intraco JV in Myanmar
2014	Invested in K.A. Group
2020	Divested Dynamic Colours
2021	Announced entry into heads of terms with MHC Digital Group

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

The financial year ended 31 December 2021 continued to be a challenging one for the Group's businesses. During the year, the Group saw its revenue grow from S$135.9 million to S$204.0 million and operating losses narrowed from S$2.3 million to S$1.0 million.

Two years on, we see a gradual re-opening of the Singapore economy even as we learn to live with COVID-19 and the new variant, Omicron.

As the global economy recovers amidst disruption in supply chain, interest rates are set to increase in 2022 to combat inflationary pressures.

Nurturing the existing businesses

As we move into the new year, we are committed to nurture and strengthen our existing businesses:

The Group's core Trading segment performed well, delivering a resilient performance despite the challenging trading climate and uncertainty to global supply chains. This arose as a result of better volumes and improved product mix which resulted in higher margins.

The Group's Fire Protection segment was severely impacted by foreign worker constraints during the year. The number of projects that were available for tender was also adversely impacted by the pandemic especially in the first three quarters of the year. This has had an impact on the number of projects that were carried out during the year. In the last quarter, there were signs of recovery as our order book strengthened. We look towards a gradual recovery of the business this year, boosted by increased vaccination rates and the Singapore Government's positive outlook on the alleviation of the labour shortage as COVID-19 restrictions are gradually eased.

Efforts are also being made to expand our mobile infrastructure and communications business as we explore the potential development of an IoT platform to broaden its services and offerings as well as to promote greenmark based ESG subsystems for energy saving and indoor air quality management.

Cost reduction initiatives

We will continue to improve on the efficiencies of our business operations and exercise financial prudence, while focusing on further cost rationalisation measures as we look towards strengthening our profitability for the Group in 2022. These initiatives include reducing the overall fixed costs and controlling operating expenditure.

Delivering shareholder value

Intraco's share price in the last 10 years has declined from a high of S$0.705 in June 2012. In the last 2 years up to 10 December 2021, its share price was S$0.30 and below. Growth has been a primary issue and one of the Group's key priorities has been to identify suitable investments that can increase shareholders' value. Post the announcement of the MHC Digital Group acquisition on 13 December 2021, Intraco's share price closed at S$0.505 on 31 December 2021.

The proposed MHC Digital Group acquisition

MHC Digital Group is an Australian digital asset platform, combining traditional financial funds management expertise and digital asset expertise and providing end-to-end services, including fund management and trading services.

We have signed the definitive agreements in February 2022. We believe that this investment will allow the Group to gain access to the digital asset industry's significant growth prospects and deliver scale and capabilities for the Group in the digital asset sector. This potentially transformative opportunity will create new revenue streams for the Group, enhance its profitability and increase shareholder value with a stake in the future blockchain economy.

On behalf of the Board, I would like to thank the Management and staff of the Group for their steadfast dedication and tireless efforts in helping the Group overcome the many challenges during the past year. I would also like to thank our customers, business partners and suppliers for their continued support and confidence in the Group. Last but not least, I extend my deepest gratitude to our shareholders for their unwavering trust and support through these challenging and uncertain times.

Sincerely,

MAK LYE MUN
Chairman of the Board
Intraco Limited

CEO'S STATEMENT

Dear Valued Shareholders,

1. 2021 continued to be challenging; we are still not out of the woods yet

We started the year feeling hopeful that many of the challenges arising from the pandemic in 2020 would be behind us. The practical reality was that 2021 continued to be a challenging year for us. Many of the restrictions besetting the construction industry continued to persists during the year and this had had an adverse impact on our principal subsidiary, K.A. Group. Foreign worker availability in particular was a major issue and building activity (compared to the pre-pandemic season) was generally subdued. Our cranes rental business in Myanmar did not fare much better with most construction projects in Yangon where our business primarily operates coming to a standstill due to political unrests. There were signs of recovery in Q4 2021 but this appears to have been scuppered by the rapid spread of the Omicron variant of the virus which brought most economies back to a lockdown.

2. Nonetheless, significant improvement from where we were in 2020

In spite of these challenges, the Group's losses reduced during the year from S$12.9m in 2020 to S$1.0m in 2021. This was attained through a hardwork. Hardwork saw our polymer trading business achieved a 35% year-on-year profit improvement whilst the operating losses at K.A. Group were reduced by 84% compared to 2020. Additionally, operating expenditure at the Group level was tightened considerably through cost control. The reduction in losses in 2021 follows a tough 2020 which saw operating losses and material impairments at both K.A. Group and Tat Hong Intraco (Myanmar).

3. Continued divestment of non-core businesses as we focus on fewer but more synergistic businesses

The Group embarked on a portfolio transformation strategy beginning with the divestment of Dynamic Colours Limited in July 2020, which raised the Groups war chest by approximately S$19.5m. This transformation strategy continued with the disposal of six crawler cranes as of to date and we hope to complete the divestment of the remaining five cranes by the end of 2022. With the ongoing political and economic situation in Myanmar, a divesture is the most sensible option given the significant uncertainties beleaguering both the business and the market. By doing so, management will be able to focus on fewer, more synergistic and higher growth businesses.

4. The new acquisition is critical for driving future growth and sustainability

In December 2021, the Group announced its entry into binding heads of terms to acquire MHC Digital Group ("MHC"). The investment into MHC allows the Group access into the fast growing digital asset industry. The announcement of this deal is timely. Upon completion of the MHC transaction, Intraco will have a good base in which to build a substantial digital asset business going forward. The Group's strong balance sheet with approximately S$48m cash (including bond investments) and bank borrowings of less than S$1m as at 31 December 2021 puts it in a robust position to undertake bolt-on acquisitions related to the new and existing businesses.

5. Paving the way for a new chapter

This is my final year with Intraco once my service agreement ends in June 2022 and I seek a new challenge after five years with the Company. I am optimistic that Intraco will continue to grow from strength to strength with the Board's leadership and extensive experience.

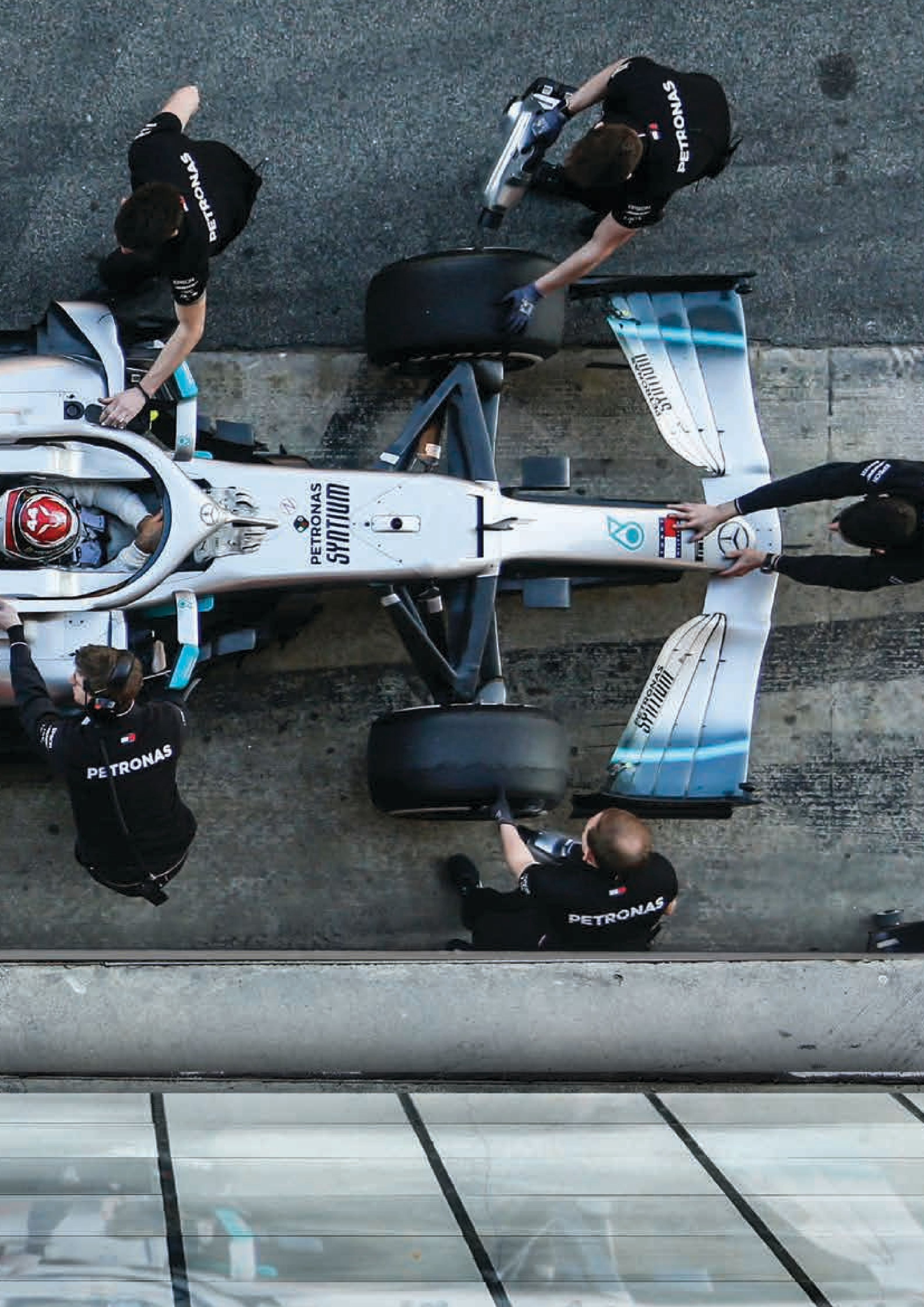
This transition is part of the ongoing process to fundamentally rebuild and reshape Intraco from the Company that was originally established in 1968. Additionally, it also allows for a balance between stability and renewal. Last but not least, I would like to take this opportunity to thank my colleagues, past and present who have worked incredibly hard and exhibited extraordinary resilience in overcoming many seemingly insurmountable challenges over the years; the board members for their continued guidance and input, and above all, our shareholders for their unwavering support. Bon voyage and Godspeed.

Sincerely,

NICHOLAS YOONG
Chief Executive Officer
Intraco Limited

TOGETHER, BOUND FOR SUCCESS

Through **hard work, harmony, alignment and perseverance**, the Board and Management of Intraco are working cohesively towards delivering shareholder returns


PETRONAS
PETRONAS
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SYNTIUM

BOARD OF DIRECTORS

MR MAK LYE MUN
Chairman and Independent Director

Mr Mak was appointed Independent Non-Executive Chairman of Intraco Limited on 29 April 2021. He is also the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committee.

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

He also holds the position of Independent Non-Executive Chairman of the Board of Hwa Hong Corporation Limited. He is a Member of the Inaugural SGX Listings and Advisory Committee, and a Member of the Listing Committee for ADDX (ICHX Tech), a licensed digital securities exchange. In January 2021, he was appointed a governing board member of the Duke-NUS Medical School. He was appointed as a Non-Executive Director of SC Global Developments Pte Ltd, and its listed Australian subsidiary, AVJennings Limited, in May 2021 and October 2021 respectively.

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

He also served as an independent Non-Executive Director of Boardroom Limited and Tat Hong Holdings until both of these SGX-listed companies were successfully privatised. Mr Mak holds an MBA from the University of Texas at Austin, USA and a Bachelor of Civil Engineering Degree (First Class Honours) from the University of Malaya, Malaysia.

DR TAN BOON WAN
Independent Director

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

Dr Tan was last re-elected as a Director at the Annual General Meeting on 18 April 2019. Dr Tan was a Member of Parliament for the Ang Mo Kio GRC from 1997 to 2006, during which he served on the Government Parliamentary Committees for Education; Finance and Trade & Industry; and Information, Communication and the Arts.

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

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

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

BOARD OF DIRECTORS

MR CHARLIE NG HOW KIAT
Non-Executive Director

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

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

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

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

DR STEVE LAI MUN FOOK
Non-Executive Director

Dr Lai was appointed to the Board as a Non-Executive Director on 28 April 2015. He is a member of the Nomination Committee and was last re-elected as a Director at the Annual General Meeting on 24 June 2020.

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

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

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

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

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

Appendix 7.4.1 of the Listing Manual of the SGX-ST

DR TAN BOON WAN ("DR TAN"), 73

Date of Appointment
5 October 2004

Date of last re-appointment (if applicable)
18 April 2019

Country of principal residence
Singapore

The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)

The re-election of Dr Tan as Independent Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Dr Tan's contributions to the effectiveness of the Board (which includes his participation and candour at Board and Board Committees meetings) as well as his time commitment.

The Board is satisfied that Dr Tan will continue to contribute to the Board.

Whether appointment is executive, and if so, the area of responsibility

Non-executive

Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)

Independent Director, Chairman of the Audit Committee and the Nominating Committee and a member of the Remuneration Committee.

Professional qualifications

- Doctorate in Mathematical Physics; and
- Master's degree in Management

Working experience and occupation(s) during the past 10 years

Dr Tan was a member of Parliament for the Ang Mo Kio GRC from 1997 to 2006, during which he served on the Government Parliamentary Committees for Education; Finance and Trade & Industry; and Information, Communication and the Arts. He also sits on the boards of a few private companies and was an Independent Director of Hotung Investment Holdings Limited from 2012 to 2018.

Shareholding interest in the listed issuer and its subsidiaries

Nil

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries

Nil

Conflict of interest (including any competing business)

Nil

Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer

Yes

Other Principal Commitments* Including Directorships#

* "Principal Commitments" has the same meaning as defined in the Code.

These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)

Past (for the last 5 years)

Past Directorships:

- Hotung Investment Holdings Ltd

Present

Present Directorships:

- Provenance Capital Pte Ltd
- Meghan Pte Ltd

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

Appendix 7.4.1 of the Listing Manual of the SGX-ST

MR MAK LYE MUN ("MR MAK"), 64

Date of Appointment
29 April 2021

Date of last re-appointment (if applicable)
N/A

Country of principal residence
Singapore

The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)

The re-election of Mr Mak as Independent Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Mak's contributions to the effectiveness of the Board (which includes his participation and candour at Board and Board Committees meetings) as well as his time commitment.

The Board is satisfied that Mr Mak will continue to contribute to the Board.

Whether appointment is executive, and if so, the area of responsibility

Non-executive

Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)

Independent Director, Chairman of the Board, Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee.

Professional qualifications

- Master of Business Administration Degree; and
- Bachelor of Civil Engineering Degree (First Class Honours)

Working experience and occupation(s) during the past 10 years

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

Mr Mak also holds the position of Independent Non-Executive Chairman of the Board of Hwa Hong Corporation Limited. He is a Member of the Inaugural SGX Listings and Advisory Committee, and a Member of the Listing Committee for ADDX (ICHX Tech Pte Ltd), a licensed digital securities exchange.

In January 2021, he was appointed a governing board member of the Duke-NUS Medical School. He was appointed as a Non-Executive Director of SC Global Developments Pte Ltd, and its listed Australian subsidiary, AVJennings Limited, in May 2021 and October 2021 respectively.

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

He also served as an independent Non-Executive Director of Boardroom Limited and Tat Hong Holdings until both of these SGX-listed companies were successfully privatised.

Shareholding interest in the listed issuer and its subsidiaries

Nil

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries

Nil

Conflict of interest (including any competing business)

Nil

Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer

Yes

Other Principal Commitments* Including Directorships#

* "Principal Commitments" has the same meaning as defined in the Code.

\# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)

Past (for the last 5 years)

Past Directorships:
- Boardroom Limited
- Tat Hong Holdings Ltd

Present

Present Directorships:
- Hwa Hong Corporation Limited
- Duke-NUS Medical School
- Boustead Singapore Limited
- AVJennings Limited
- SC Global Developments Pte Ltd

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

Appendix 7.4.1 of the Listing Manual of the SGX-ST

Information required

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?

(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?

(c) Whether there is any unsatisfied judgement against him?

(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?

(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?

(f) Whether at any time during the last 10 years, judgement 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?

(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?

(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?

(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

(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?

Mr Mak and Dr Tan have individually given a negative disclosure on each of the above items (a) to (k).

Disclosure applicable to the appointment of Director only

Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the Nominating Committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).

Not applicable for Mr Mak and Dr Tan as this is a re-election/re-appointment of Director.


LEADERSHIP

INVESTING INTO THE FUTURE ECONOMY

Intraco is reinventing itself to tap into the **future economy** to achieve longer term growth and sustainability

KEY MANAGEMENT

MR NICHOLAS YOONG SWIE LEONG

Chief Executive Officer

Mr Yoong is the Group Chief Executive Officer ("Group CEO") of SGX Mainboard-listed, Intraco Limited. He started his career with Andersen before spending almost a decade at the London offices of two major international accounting firms, working on transaction advisory assignments across Europe, specialising in turnaround and restructuring.

Mr Yoong returned to Singapore in 2010 as Executive Director with a big 4 accounting firm before joining a leading restructuring outfit.

In 2013, he moved into corporate as Chief Operating Officer at Taylor's Education Pte Ltd (Singapore), one of the largest private education companies in South East Asia, where he was responsible for overseeing the Group's overseas investments, international expansion and corporate finance.

Mr Yoong graduated from University of Cambridge where he was offered a Sime Darby scholarship. He was also a British Chevening scholar at the University of Warwick and a Malaysian Institute of Certified Public Accountants ("MICPA") scholar at the University of Malaya. He is a member of Young Presidents' Organization (YPO – Singapore Chapter) and The Oxford and Cambridge Society of Singapore.

After 5 years with the Company, Mr Yoong will relinquish his position as Group CEO upon cessation of his service agreement on 30 June 2022.

KEY MANAGEMENT

MR EDMOND LEE

Interim Chief Executive Officer (Appointed on 1 March 2022)

Mr Lee was Senior Vice President, Plastics Division for Intraco Trading Pte Ltd before he was promoted to Chief Operating Officer of Intraco Limited from 1 March 2020.

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

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

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

Mr Lee is a certified 6 Sigma Black Belt and is a recipient of a 6 Sigma Global Award at GE.

Mr Lee has relinquished his position as Chief Operating Officer ("COO") with effect from 1 March 2022 and has assumed the role of Interim Chief Executive Officer ("Interim CEO") – Designate until he takes over the full responsibilities as Interim CEO from 1 July 2022 when Mr Yoong leaves the Company. In the interim up to the last day of service of Mr Yoong with the Company, Mr Lee will work alongside Mr Yoong to ensure smooth continuity in the transfer of leadership duties while continuing to oversee the Group's commodities trading business and provision of mobile radio infrastructure management services.

KEY MANAGEMENT

MR DAVID HOON CHEE WAI

Chief Operating Officer (Appointed on 1 March 2022)

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

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

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

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

MS MAGGIE YEO SOCK KOON

Chief Financial Officer

Ms Yeo is the Chief Financial Officer ("CFO") of Intraco Limited. She has overall responsibility for the Group's finance functions, including financial reporting, treasury, tax, budget management, risk management and capital management of Intraco and its group of companies. She plays a key role in working with senior management and the Board to develop, monitor and evaluate overall corporate strategy.

Ms Yeo has over 30 years of experience in the finance and accounting sectors. Prior to joining Intraco, she was the CFO of The Straits Trading Company Limited. She has also held various senior positions in other SGX-listed companies, including Senior Vice President for Reporting and Analytics Centre of Excellence at Sembcorp Industries Limited, CFO of UMS Holdings Ltd and Director for Group Accounting Services at Neptune Orient Lines.

Ms Yeo graduated with a Bachelor of Accountancy from the National University of Singapore.

KEY MANAGEMENT

MR SOH YONG POON

Chief Executive Officer, K.A. Group,
a subsidiary of Intraco Limited

Mr Soh is the founder of K.A. Group, a business he started in 1987 after identifying the huge potential for specialised fire proofing products and solutions in Singapore's burgeoning construction industry in the 1980s.

Under his stewardship, K.A. Group is today one of the market leaders in niche building materials in Singapore.

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

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

MS CAREN SOH YING SIN

Chief Operating Officer, K.A Group
a subsidiary of Intraco Limited

Ms Soh has been with K.A. Group since 2008. She is overall in charge of business development, including strategies to increase sales of the company's proprietary and agency fire-proofing products and solutions.

She is also responsible for establishing a strong customer base and maintaining the company's market share in Singapore.

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

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

KEY MANAGEMENT

MR ONG SING JYE

Chief Executive Officer, Intrawave Pte Ltd
a subsidiary of Intraco Limited

Mr Ong is the CEO of Intrawave Pte Ltd. He joins Intraco from Asia Networks where he was CEO. Asia Network is a major Infrastructure-As-A-Service telecommunication service providers and the only Private Public Partnership in Singapore. He brings with him 26 years of infocomm, telecommunications technology and infrastructure experience. Prior to Asia Networks, Mr Ong was with Comba Telecom Systems, where he led the group's regional expansion.

Mr Ong has a proven track record of building regional businesses and managing large teams. He has extensive experience in private public partnership, telco licence bidding, 5G consultation and private network development projects with a particular interest or focus on cybersecurity, IoT and private networks infrastructure.

Mr Ong has a bachelor's degree (Hons) in Electronics and Communications Engineering from Birmingham University and a Master of Science (Advanced Information Technology) degree from Imperial College. He also has a Master of Business Administration sponsored by Singtel and is the current Vice President at Association of Telecommunication Industry of Singapore (ATIS).

MR THAM SOON KEONG

Senior Vice President, Intraco Trading Pte Ltd
a subsidiary of Intraco Limited

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

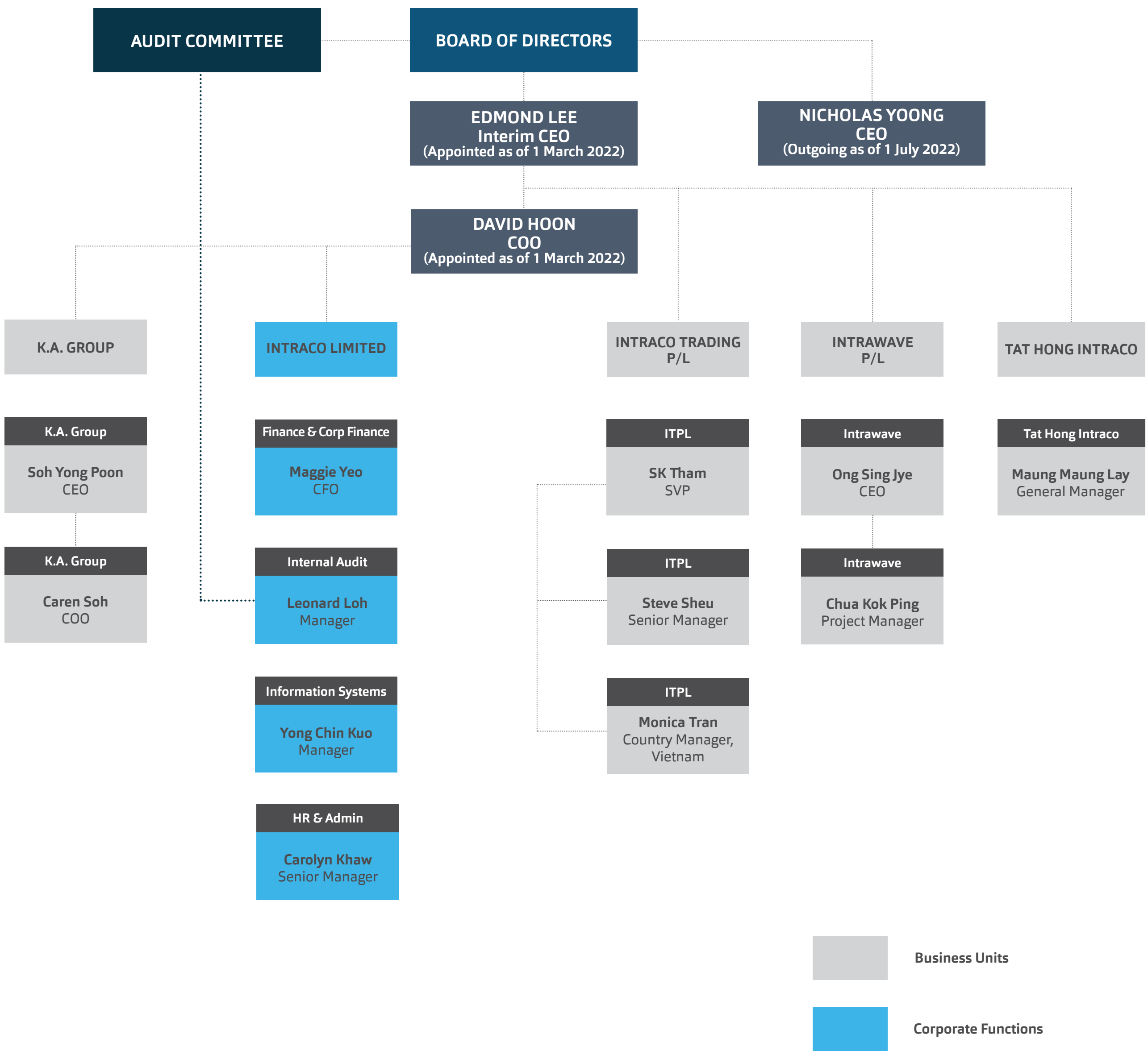
In his last role at Borouge, SK was the Vice President of Supply Chain, managing a team of Customer Service, Logistic and Demand Planning spread across Asia South. He was instrumental in helping grow the plastic resin business substantially primarily by revamping the go-to-market strategy. He also supported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

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

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

KEY MANAGEMENT

INTRACO GROUP OF COMPANIES ORGANISATION CHART

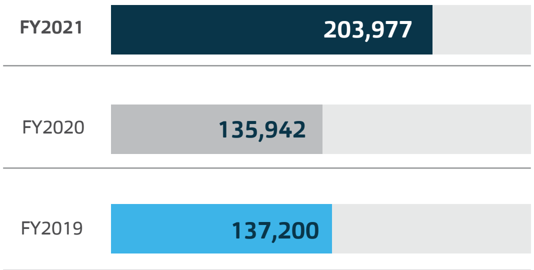


RIDING THE NEXT WAVE

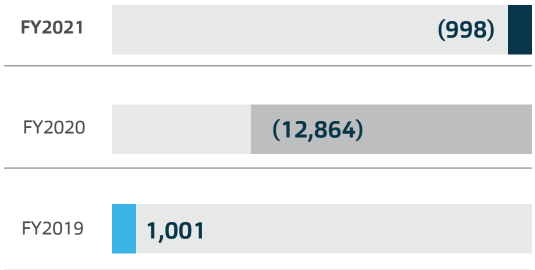
One of the keys to success lies in riding the next wave including digitalisation, electrification, green/sustainability and smartness. **Timing and balance** are critical

FINANCIAL HIGHLIGHTS

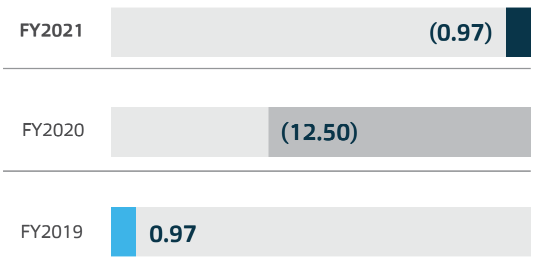
REVENUE *(S$'000)*



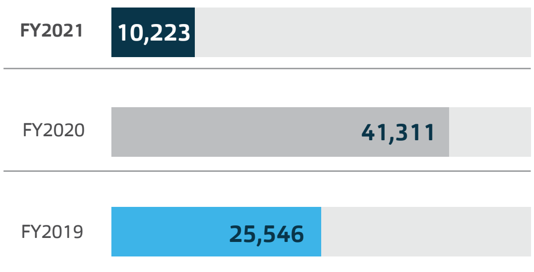
(LOSS)/PROFIT AFTER TAX *(S$'000)*



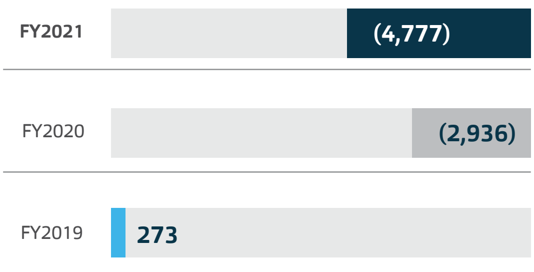
(LOSS)/EARNINGS PER SHARE *($ cents)*



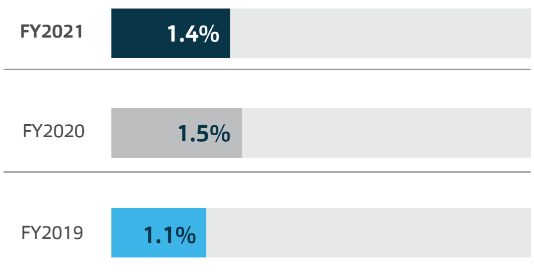
NET CASH *(S$'000)*



OPERATING CASH FLOW *(S$'000)*



LONG TERM DEBT TO EQUITY *(%)*



OPERATIONS AND FINANCIAL REVIEW

OPERATIONS REVIEW

The Group reported a net loss of S$1.0 million for the financial year ended 31 December 2021.

Our principal subsidiary, K.A. Group Holdings Pte Ltd ("KA"), whose fire protection business is predominantly in Singapore continues to be adversely impacted by manpower shortages. This has had an impact on both ongoing projects and pipeline development of new business.

There were however, signs of recovery as our order books had strengthened in the last quarter. Gradual recovery of the business is expected hereon, boosted by increased vaccination rates and the alleviation of the labour shortage as COVID-19 restrictions are gradually eased.

The Group's core Trading segment performed well, delivering a resilient performance despite the challenging trading climate and uncertainty with global supply chains. This arose as a result of better volumes and improved product mix which resulted in higher margins. The outlook of the trading business remains unpredictable.

Efforts are also being made to explore the potential development of an IoT platform with partners to support Greenmark and ESG subsystems such as indoor air quality management and energy savings solutions.

The cranes rental business in Myanmar continues to be affected by the ongoing political situation and the pandemic. Most construction projects have temporarily ceased as a result of the political unrest. The impairment undertaken in 2020 means that the current situation did not have a material financial impact on the Group for the financial year 2021.

The Group announced the proposed acquisition of the MHC Digital Group ("MHC") on 7 February 2022. The completion of the MHC acquisition within the next 24 months will allow the Group the opportunity to participate in the growth prospects of, and deliver scale and capabilities in, the digital assets space.

The economic situation with the COVID-19 pandemic evolving is still on the road to recovery. Border closures and movement restrictions will likely continue impacting investment activity and regional expansion of the existing businesses.

K.A. Group ("KA")

KA's revenue increased by 17.0% in FY 2021. During the year, KA focused on clearing project backlog spillovers from FY 2020, which were delayed due to the COVID-19 pandemic. Safe management measures imposed to curb further outbreaks also affected productivity and efficiency at the worksites. The number of projects that were available for tender was also adversely impacted by the pandemic.

However there have been signs of recovery since the fourth quarter of FY2021 with more contracts being secured.

Intraco Trading ("ITPL")

ITPL delivered another year of profit improvement. Its volume grew by 14%, revenue by 52% and more importantly, net profit grew by 35% despite continuing demand pressure due to COVID-19 lockdowns and disruptions to international trade. Performance in 2021 was driven by product mix, broad base portfolio growth, and unit price increase while tightly controlling our operating expenses.

New suppliers and products introduced in the last 2 years continued to gain momentum, and contributed up to 12% of the total volume versus 4% in the prior year. In addition, ITPL supported its suppliers in their drive to grow differentiated applications resulting in 5% new volume contribution in differentiated polymers.

In the first half of 2021, the business caught the tailwind of the pandemic surge of strong demand from the Packaging and Healthcare segments. New Polypropylene capacities in China with arbitrage windows opened presented many buying opportunities.

ITPL was able to meet the customer demand for products in a timely manner despite the shipping and logistics challenges which continue to disrupt the worldwide supply chain.

Looking ahead, we anticipate the supply chain woes will continue at least till H1 2022, and demand may only grow gradually in 2022. ITPL will continue with the playbook to widen our product and service portfolio, and grow geographically with existing and new partnerships.

Intrawave ("INW")

In FY2021, INW continues its core business of leasing the telecommunications infrastructure in the North East Line ("NEL") for commercial telecommunication services to the four Mobile Network Operators, namely SingTel Mobile Singapore Pte Ltd, StarHub Mobile Pte Ltd, M1 Limited and new entrant TPG Telecom Pte Ltd ("TPG").

In line with the new digital economy amidst the pandemic, INW sets a new course in late 2021 to be a cloud-based Internet of Things ("IoT")/5G enabling company – a digital enabler of choice for enterprises, providing IoT solutions and smart managed services on Environmental, Social and Governance ("ESG") (smart and sustainability) initiatives. Beyond organic growth, INW is actively looking out for strategic partners to enhance its market presence and growth potential.

IMDA has previously announced that 5G operators are mandated to provide 5G mobile coverage for at least half of Singapore by end-2022, and scale up to nationwide coverage by end-2025. INW has started to organise our team in order to prepare for the future 5G opportunities.

OPERATIONS AND FINANCIAL REVIEW

Tat Hong Intraco ("THI")

THI's business faced another challenging year. While the pandemic continued to devastate Myanmar's economy, the country was further battered by political unrest which saw a military coup took over the government in February 2021.

These events have crippled THI's crane business in Yangon, and with no clear end in sight, the Board has decided to cut-losses and pullout from Myanmar. THI is now in the process of selling off its cranes and will slowly wind down its operations. As of to date, 6 cranes have been sold and the remaining 5 cranes are expected to be fully disposed of in the next 12 months.

FINANCIAL REVIEW

Income Statement Review

The Group's revenue grew 50.0% to S$204 million in FY2021 due to improved contributions from all its business units.

The Fire Protection Segment revenue rose 17% to S$7.5 million. In FY2020, KA's operations were affected as projects were temporarily halted from April 2020 to August 2020 during the Circuit Breaker period. The Fire Protection Segment narrowed its net loss significantly to S$0.5 million for FY 2021 compared to the net loss of S$7.5 million for FY 2020. The decrease in loss is mainly due to a recognition of goodwill impairment of S$6.9 million in FY 2020.

In FY2021, Trading and Other Segment revenue rose 51.7% to S$196.5 million mainly driven by the plastic trading business due to higher volume, higher unit price, wider product range and better sourcing options. INW saw stable revenue and growth in FY2021 due to steady contributions from the NEL Extension and TPG project. INW has also started generating new revenues from its new ESG initiatives in 2021. The revenue comes from new smart IoT projects and the distributions of smart IoT systems and products. INW expects revenue contribution from the new initiatives to grow from 2022.

Gross profit for the Group increased by 16.1% to S$7.3 million mainly due to the increased contributions from the Trading segment. Better volumes and improved product mix and reduced expenses resulted in higher margins. Administrative expenses decreased 14.9% to S$8.5 million due to strict controls on corporate costs.

Decrease in other income was due to lower cash payouts received from the authorities under the Jobs Support Scheme and other government grants in relation to the COVID-19 outbreak.

Balance Sheet Review

The Group's financial position remained healthy and steady with S$47.7 million in cash, cash equivalent and bond funds. Total equity for the Group was S$56.1 million and net asset value per share was S$0.55 as at 31 December 2021.

Cash Flow Review

The Group recorded a net operating cash outflow of S$4.8 million. ITPL executed more upfront payments to suppliers to secure shipments to customers, which led to a mismatch of its collections from customers and its payments to suppliers. ITPL's trade practice is mostly based on letters of credit to minimise the risk of default from customers.

During the year, the Group has placed S$25 million, which includes the net proceeds from the divestment of DCL and other cash resources of the Company, into the money market and bond fund investments on a short-term basis.

SUSTAINABILITY

Intraco will strive to ensure the long-term viability of its businesses by prioritising **economic growth** whilst promoting environmental, social and governance best practices

SUSTAINABILITY REPORT

MESSAGE FROM THE CEO

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

The COVID-19 pandemic remains a threat to public health and safety. It has highlighted the importance of strong occupational health and safety practices both as a measure to protect our environment, and as a business continuity measure. We have been diligent on this front, providing training and conducting inspections for safety risks to our employees and workers.

Despite these health and safety challenges, the Group has made significant progress in sustainability, driven by regulatory developments and changing stakeholders' expectations. The Group aims to be part of a global community working together to solve sustainability issues, which is why we have highlighted our contributions to the United Nations Sustainable Development Goals in this year's report.

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

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

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

Nicholas Yoong
Chief Executive Officer

ABOUT THIS REPORT

Reporting Principles & Statement of Use
This Report contains information about Intraco's commitment, corporate governance, sustainability policies, performance and targets in managing the Environmental, Social and Governance ("ESG") factors in FY2021.

This Report has been produced in accordance with the Global Reporting Initiative ("GRI") Standards "Core" option covering the financial period from 1 January 2021 to 31 December 2021.

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

We have applied the GRI principles for defining reporting content and ensuring quality of information: (a) GRI guiding principles for defining the content: Materiality, Stakeholder Engagement, Sustainability Context and Completeness; (b) GRI guiding principles for defining the quality: Balance, Clarity, Accuracy, Timeliness, Comparability and Reliability. For more information on GRI disclosures, please refer to the GRI Content Index.

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

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

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

SUSTAINABILITY REPORT

Restatements

The measurement basis for energy intensity as disclosed in Focus 4 of this Report has been changed from kWh per S$ million of revenue to kWh per m^2 of goods produced. As a result, the comparative figures relating to FY2020 energy intensity have been restated.

Assurance

Internal controls and verification mechanisms have been established by management to ensure the accuracy and reliability of narratives and data. We have also considered the recommendations of an external ESG consultant for the selection of material topics as well as compliance with GRI Standards and SGX-ST Listing Rules.

The Board of Directors has therefore assessed that external assurance is not required for the Report. The Group will continue to assess the need to further enhance the credibility of our sustainability report through internal review or external assurance.

Availability & Feedback

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

SUSTAINABILITY STRATEGY OVERVIEW

Focus and Strategy

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

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

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

Intraco prioritises the health and safety of our people as the COVID-19 pandemic remains a health and safety risk to our employees. For our employees and foreign workers under our care, we ensure that all relevant COVID-19 safety rules and regulations are adhered to. A robust safety management plan has also been implemented to provide safety protocols and dedicated safety personnel to safeguard employees from COVID-19 transmission.

SUSTAINABILITY REPORT

ESG Performance Highlights

Maintained all relevant industry standards along with our ISO 9001:2015 Quality Management Systems certification.
Performed supplier environmental and social assessments for major suppliers.
Zero incidents of environmental non-compliance.
Employees underwent 562 total hours of training and upskilling, equivalent to 8 hours of training per employee.
Zero workplace fatalities or injuries that caused disabilities.
Supported the local community by donating enterprise-grade air purifier systems to eldercare homes to help prevent COVID-19 transmission.

SUSTAINABILITY REPORT

Contribution to the United Nations Sustainable Development Goals

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

SUSTAINABLE DEVELOPMENT GOALS

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

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT & MATERIALITY ASSESSMENT

Intraco's vision and the success of its business is closely aligned with the interests and needs of its key stakeholders. In FY2021, stakeholder engagement was performed to understand their expectations and capturing feedback for our sustainability initiatives.

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

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

Key Stakeholders	Engagement Methods	Areas of Concern	Our Response	Section Reference
Customers	• Frontline interaction by sales managers • Email queries • Contact form on company website • Customer feedback	• Customer Health and Safety • Pricing and quality of products and services	• Respond promptly to customer feedback • Maintain certifications and ensure quality of products	• Focus 5: Product Responsibility
Employees	• Open dialogue among teams • Training and development programmes • Employee social events • Employee feedback mechanism	• Training and education • Personal development • Safe and conducive work environment, including COVID-19 safety measures • Fair compensation and benefits	• Provide fair employee remuneration and benefits • Provide meaningful feedback to each employee through well-structured and open performance appraisals • Provide regular training and updates on COVID-19 safety measures • Send staff for courses relevant to their area of work	• Focus 6: Human Capital

SUSTAINABILITY REPORT

Key Stakeholders	Engagement Methods	Areas of Concern	Our Response	Section Reference
Shareholders	• Annual General Meeting • Annual Report • SGX-ST Corporate Announcements • Company website • Press releases	• Economic performance • Shareholders' returns	• Provide informative corporate communication and reports	• Focus 1: Governance and Ethics • Focus 2: Economic Performance • Focus 3: Innovation and Quality Improvement • Focus 4: Environmental Responsibility
Suppliers	• Face-to-face meetings • Supplier assessment	• Product quality requirements • Certificate of Analysis requirements	• Engage and evaluate suppliers regularly and provide meaningful feedback	• Focus 5: Product Responsibility
Government/ Regulators	• Meetings and consultations • Regular reports	• Compliance with SGX-ST Listing Rules • Fair market practices • Regulatory and Legal compliance • Government requirements and guidelines on COVID-19	• Ensure full compliance with all applicable local laws and regulations including COVID-19 safety regulations	• Focus 1: Governance and Ethics • Focus 4: Environmental Responsibility

Stakeholders' concerns identified as well as business priorities are incorporated into Intraco's materiality assessment which consists of a systematic process to identify, prioritise, review and validate the ESG factors. In FY2017, Intraco, with the help of an external consultant, conducted a materiality assessment workshop that was attended by the Sustainability Steering Committee ("SSC") and the Board. The list of identified material topics were reviewed and updated in FY2021 with the recommendation of an external consultant and validated by the Board to ensure that these factors remain relevant to the Group.

01 STEP

IDENTIFICATION

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

02 STEP

PRIORITISATION

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

03 STEP

REVIEW

Review whether the previously identified material topics are still relevant

04 STEP

VALIDATION

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

SUSTAINABILITY REPORT

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

Focus Areas	Material Topics	Where the impact occurs
Focus 1: Governance and Ethics	• GRI 205: Anti-corruption • GRI 207: Tax • GRI 307: Environmental Compliance • GRI 408: Child Labour • GRI 409: Forced or Compulsory Labour • GRI 418: Customer Privacy • GRI 419: Socioeconomic Compliance	• Group wide
Focus 2: Economic Performance	• GRI 201: Economic Performance	• Group wide
Focus 3: Innovation and Quality Improvement	• GRI 203: Indirect Economic Impacts	• K.A. Group • Intrawave
Focus 4: Environmental Responsibility	• GRI 302: Energy • GRI 303: Water and Effluents • GRI 306: Waste	• Group wide • K.A. Group • K.A. Group
Focus 5: Product Responsibility	• GRI 308: Supplier Environmental Assessment • GRI 414: Supplier Social Assessment • GRI 416: Customer Health and Safety	• K.A. Group • Intraco Trading • Intrawave
Focus 6: Human Capital	• GRI 401: Employment • GRI 403: Occupational Health and Safety • GRI 404: Training and Education • GRI 405: Diversity and Equal Opportunity • GRI 413: Local Communities	• Group wide

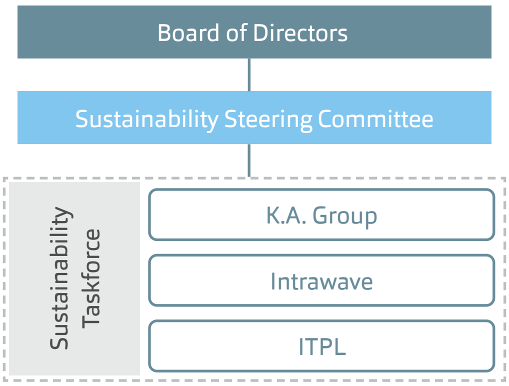
SUSTAINABILITY REPORT

FOCUS 1: GOVERNANCE AND ETHICS

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

Sustainability Governance Structure & Statement of the Board

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



The Board, supported by the SSC, continues to oversee the sustainability efforts of the Group and monitor the material ESG factors. The SSC, consisting of the COO, CFO and representatives of other business units, oversees the development, review and implementation of the Group's sustainability policies, practices and initiatives. The SSC is chaired by the CEO.

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

Corporate Compliance

GRI 307-1, 419-1

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

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

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

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

Risk Management

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

Anti-corruption

GRI 205-1, 205-2, 205-3

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

There were zero confirmed incidents of corruption in FY2021.

SUSTAINABILITY REPORT

Ethical Labour Practices

GRI 408-1, 409-1

At Intraco, the Group has a zero-tolerance attitude towards child labour and forced labour. Intraco's employment practices are guided by local laws and regulations.

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

Customer Privacy and Data Protection

GRI 418-1

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

There were no reported data breaches in FY2021.

Tax Compliance

GRI 207-1, 207-2, 207-3

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

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

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

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

Governance and Ethics Targets

FY2021 Performance and FY2022 Targets		
Targets for FY2021	**Status**	**FY2021 Performance**
• Zero incidents of non-compliance with SGX-ST listing rules or Code of Corporate Governance	√ Met	• Achieved zero incidents of non-compliance with SGX-ST listing rules or Code of Corporate Governance • Achieved zero reported corruption/whistle blowing reports
• Zero social regulatory breaches	√ Met	• Achieved zero social breaches • Achieved zero data privacy breaches • Achieved zero significant tax related non-compliance
Targets for FY2022		
• Zero incidents of non-compliance with SGX-ST listing rules or Code of Corporate Governance • Zero reported corruption/whistle blowing report • Zero social breaches • Zero data privacy breaches • Zero significant tax related non-compliance		

SUSTAINABILITY REPORT

FOCUS 2: ECONOMIC PERFORMANCE

GRI 201-1

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

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

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

FOCUS 3: INNOVATION AND QUALITY IMPROVEMENT

GRI 203-2

K.A. Group

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

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

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

Innovation and Quality Improvement Target

FY2021 Performance and FY2022 Targets
FY2021 Performance
• ISO 9001:2015 remains valid for FY2021
Targets for FY2022
• Maintain our ISO 9001 quality management certification

SUSTAINABILITY REPORT

FOCUS 4: ENVIRONMENTAL RESPONSIBILITY

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

Energy Management

GRI 302-1, 302-3, 302-4

K.A. Group

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

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

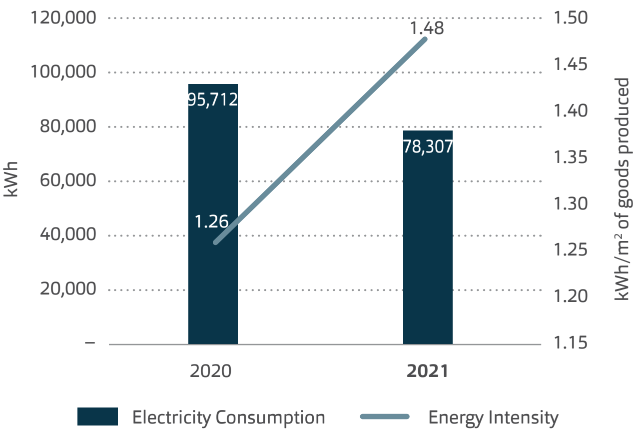
K.A. Group continues to increase employees' awareness on energy reduction efforts. For instance, K.A. Group puts up reminders on energy conservation practices such as:

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

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

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

Energy Consumption and Energy Intensity



Energy intensity[1] is calculated based on kWh per m^2 of goods produced. Energy intensity had increased compared to 2020 due to the lower production capacity usage and workers resuming their stay in our factories.

Moving forward, K.A. Group will continue to monitor energy consumption as well as identify initiatives to reduce electricity consumption across our operations.

Waste and Effluents Management

GRI 306-1, 306-2, 306-4

K.A. Group

K.A. Group adopts good corporate practices for waste management. Our practices are reviewed and improved regularly as an integral part of our environmental management system.

100% of our chemical waste and general waste is subcontracted to a certified waste disposal company. We assess our waste operators to be environmentally conscious and prefer them to have robust environmental friendly practices with regard to their waste disposal methods.

1 The total energy consumption includes electricity consumption from K.A. Group only.

SUSTAINABILITY REPORT

Environmental Responsibility Targets

FY2021 Performance and FY2022 Targets		
Targets for FY2021	**Status**	**FY2021 Performance**
• Monitor energy consumption and intensity and reduce electricity consumption	◎ Not Met	• Energy intensity increased from 1.26 kWh/m² of product in 2020 to 1.48 kWh/m² of product compared to the prior year
• Zero incidents of environmental non-compliance	✓ Met	• Achieved zero incidents of environmental non-compliance • All relevant industry standards have been maintained
Targets for FY2022		
• Obtain/maintain relevant industry standards • To reduce energy intensity by at least 5% for K.A. Group • Zero incidents of environmental non-compliance • Maintain 100% proper disposal for waste through licensed disposal companies • Zero monetary fines from BCA for waste and effluent management		

FOCUS 5: PRODUCT RESPONSIBILITY

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

We adopt a risk-based approach to ensure that our supply chain is sustainable and resilient. Supply chain risk assessments are regularly carried out to ensure that any risks related to business interruption are mitigated as such risks have become elevated during the COVID-19 pandemic.

Customer Health and Safety

GRI 416-1, 416-2

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

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

K.A. Group

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

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

For example, the Insulated Fire rated Fabric Shutters or Fire Curtain is tested to Singapore Standard Specification for Fire Shutters SS 489:2001 for its compliance with the local building regulation for up to 4 hours for fire integrity and 2 hours for insulation. Every default case is filed in the incident reporting system for evaluation and risk assessment.

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

SUSTAINABILITY REPORT

ITPL

ITPL aims to provide high quality plastic resin products to protect the customers' health. To do so, ITPL practises regular quality control inspections on its products and services. With an extensive range of its products, ITPL ensures that all suppliers are evaluated and assessed for Certificate of Analysis ("COA").

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

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

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

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

Intrawave

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

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

Supply Chain Management

GRI 308-1, 308-2, 414-1, 414-2

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

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

K.A. Group

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

In FY2021, K.A. Group performed environmental and social assessments for major suppliers as they are deemed to comprise the most significant environmental and social impacts along our supply chain. For such key suppliers, no significant actual and potential negative impacts have been identified.

ITPL

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

In FY2021, ITPL performed supplier assessments on major suppliers as part of a comprehensive approach to managing sustainability impacts outside our organisation and along our supply chain. We evaluated suppliers based on pertinent environmental and social topics, including criteria such as the suppliers' pollution and workplace health and safety practices.

In line with the Group's practice, ITPL ensures that all its suppliers are COA compliant to uphold the standard of its business. In FY2021, all suppliers that traded with ITPL obtained a COA, which aligns with ITPL's target of purchasing materials from major suppliers with the certification. Such practice will be enforced and reviewed annually.

SUSTAINABILITY REPORT

Product Responsibility Targets

FY2021 Performance and FY2022 Targets		
Targets for FY2021	**Status**	**FY2021 Performance**
• Zero incidents of non-compliance concerning the health and safety of products and services • Zero significant incidents of non-compliance that resulted in regulatory breaches	√ Met	Achieved zero incidents of non-compliance concerning the health and safety of products and services
• Ensure all new major suppliers during the year have proper certification	√ Met	Performed supplier environmental and social assessments for major suppliers. No negative impacts in the supply chain were identified.
Targets for FY2022		
• Zero incidents of non-compliance concerning the health and safety of products and services as well as zero significant incidents of non-compliance that resulted in regulatory breaches. • Perform environmental and social assessment for new major suppliers		

FOCUS 6: HUMAN CAPITAL

Occupational Health and Safety and COVID-19 Safety Measures

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

The well-being and safety of our employees continue to be of highest priority. To safeguard their well-being and safety, the Group operates with strict adherence to relevant local regulations. The goal is to ensure that the Group can continue to operate in a safe working environment and prevent COVID-19 transmission at the workplace through the implementation of safe management measures. These are guided by the advisories from the Ministry of Health ("MOH"), Ministry of Manpower ("MOM") and BCA.

A comprehensive safe management plan was also created and adopted for the Group in relation to COVID-19. It includes the following:

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

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

SUSTAINABILITY REPORT

Despite our best efforts, workplace injuries do occur. In 2021, 2 workplace injuries occurred due to workman injuries that occurred in K.A. Group. The workers have received prompt medical attention and corrective actions were taken to prevent reoccurrences.

Workplace Permanent Disabilities or Fatalities	0
Workplace Injuries	2

K.A. Group

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

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

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

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

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

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

These included providing additional accommodation (three instead of the previously two dormitories) to ensure safe living measures, providing meals for our employees and distributing free masks and hand sanitisers to minimise further transmission of COVID-19.

Construction activities were able to resume safely in August 2021 with the implementation of safe management measures as stipulated by MOM and BCA. The Group's safe management officers will continue to actively monitor this.

Intrawave

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

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

SUSTAINABILITY REPORT

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

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

ITPL

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

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

ITPL has also distributed free masks and hand sanitisers to the employees to limit the transmission of COVID-19. Laptops were also issued to staff who previously relied on desktops to enable remote working arrangements during the pandemic.

Training and Development

GRI 404-1, 404-2

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

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

total hours of employee training **562**

hours of training per employee **8**

In FY2021, the Group's employees received an average of 8 hours of training each, compared to the previous year's average of 12 hours. In total, the Group clocked 562 hours of training in FY2021, compared to 985 hours of training in FY2020. The decrease in training hours was due to the continuing limitations from COVID-19 which restricted the number of external trainings conducted.

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

- The Enterprise Leadership for Transformation ('ELT") conducted by Nanyang Technological University, Singapore ("NTU"). A one-year programme that supports business leaders of promising small and medium enterprises to develop business growth capabilities.
- Safety trainings on COVID-19 and safe management office by BCA.
- Construction Safety Orientation Courses for employees who work at construction sites.
- Financial trainings on topics such as Enterprise Resource Planning.

SUSTAINABILITY REPORT

- Soft-skill trainings on topics such as the management of business in the COVID-19 crisis, building financial resilience and human capital.
- Technical development trainings on boom lift, scissor lift operation, and risk management implementation plan.
- One member of our staff attended a training course on 5G telecommunications.

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

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

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

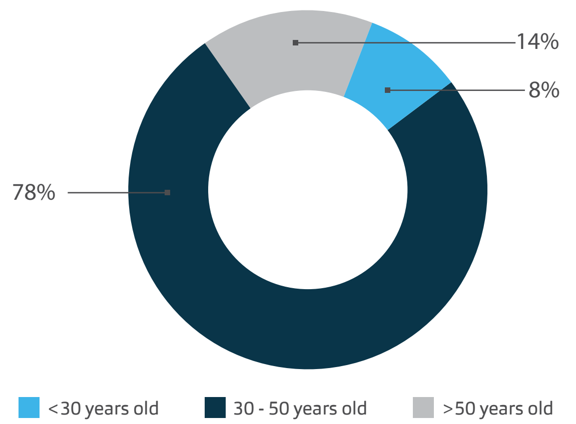
Diversity and Inclusion

GRI 401-1, 405-1

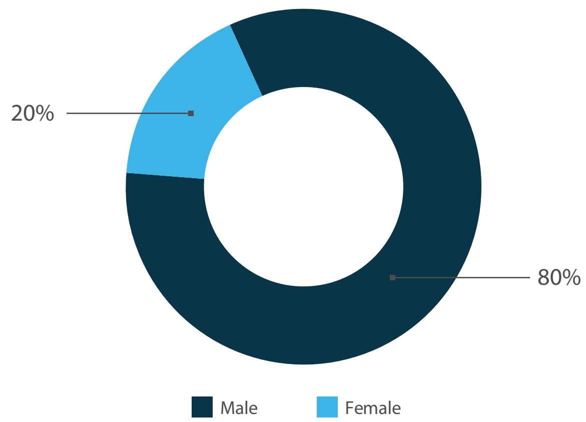
The Group promotes diversity and inclusion within its teams by providing equal employment opportunities for all regardless of their age, gender, religion, marital status or ethnicity. Intraco believes that having a diverse team with a vast range of knowledge and skillsets is important as it helps the Group to navigate through the tumultuous business landscape.

There was a slight decrease in the percentage of female employees from 22% in FY2017 to 20% in FY2021. This was due to the labour-intensive nature of the respective industries of our business segments such as fire protection solutions.

Percentage of Employees by Age Group



Percentage of Employees by Gender



SUSTAINABILITY REPORT

Employment Rights and Fair Recruitment

GRI 401-1

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

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

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

Positive Workplace Environment

GRI 404-1, 404-3

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

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

The Board and CEO are focused on aligning performance with incentives and setting clear key performance indicators and growth targets for the employees. The management closely tracks data such as employee turnover, number of training days to better grasp employee morale and evaluate policies. As a continuous effort, HR also conducts exit interviews for all voluntary resignees. Furthermore, the Group conducts employee performance appraisals and obtains regular feedback on employee experiences at work. A comprehensive 360-degree appraisal was conducted in 2020 to provide valued feedback and performance reviews to employees. The reviews contribute to the personal and career development of employees and leads to improved employee satisfaction.

Community Giving

GRI 413-1

The Group believes in giving back to the society and actively promotes community engagement. We also do our part to limit the spread of COVID-19 in the community by providing tools to reduce the transmission of COVID-19 through the air, particularly for the elderly who are more vulnerable to COVID-19 symptoms, by donating enterprise-grade, Aura Air Product (Indoor Air Quality Management) sets to 3 elderly care homes:

- Man Fatt Lam Eldercare Home (2 units)
- St Luke Eldercare Home (2 units)
- St Joseph Eldercare Home (2 units)

We have also donated 1 set to the Institute of Technical Education ("ITE") College East, to educate students on the latest development in ESG and Internet of Things ("IoT") technology.

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

SUSTAINABILITY REPORT

Human Capital Targets

FY2021 Performance and FY2022 Targets		
Targets for FY2021	**Status**	**FY2021 Performance**
• Maintaining zero workplace fatalities or permanent disabilities • Zero significant incidents of non-compliance resulting in regulatory breaches under the Workplace Safety and Health Act.	√ Met	Maintained zero workplace fatalities and disabilities. No significant incidents of non-compliance with the Workplace Safety and Health Act.
• Continue to enhance employees' development	√ Met	Our employees underwent 562 total hours of training
• Having zero incidents and grievances of child and forced labour being reported	√ Met	There were no incidents and grievances of child and forced labour being reported.
Targets for FY2022		
• Maintaining zero workplace fatalities or permanent disabilities and zero significant incidents of non- compliance resulting in regulatory breaches under the Workplace Safety and Health Act. • To provide training programs to all employees • No material breach of employment laws		

SGX-ST 5 PRIMARY COMPONENTS INDEX

S/N	Primary Component	Section Reference
1	Material Topics	• Stakeholder Engagement & Materiality Assessment
2	Policies, Practices and Performance	• Sustainability Strategy Overview • Focus 1 to 6
3	Board Statement	• Sustainability Governance Structure & Statement of the Board
4	Targets	• Governance and Ethics Targets • Innovation and Quality Improvement Targets • Environmental Responsibility Targets • Product Responsibility Targets • Human Capital Targets
5	Framework	• About This Report

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GRI Standards	Disclosure Content	Section Reference/ Reason for Omissions (if applicable)
102-1	Name of the organisation	About Intraco
102-2	Activities, brands, products, and services	About Intraco
102-3	Location of headquarters	About Intraco
102-4	Location of operations	About Intraco
102-5	Ownership and legal form	About Intraco
102-6	Markets served	About Intraco
102-7	Scale of the organisation	About Intraco
102-8	Information on employees and other workers	Focus 6: Human Capital
102-9	Supply chain	About Intraco
102-10	Significant changes to the organisation and its supply chain	About Intraco
102-11	Precautionary principle or approach	Risk Management
102-12	External initiatives	Not applicable. No reportable external initiatives.
102-13	Membership of associations	Focus 3: Innovation and Quality Improvement
102-14	Statement from senior decision-maker	Sustainability Governance Structure & Statement of the Board
102-16	Values, principles, standards, and norms of behaviour	About Intraco
102-18	Governance structure	Sustainability Governance Structure & Statement of the Board
102-40	List of stakeholder groups	Stakeholder Engagement & Materiality Assessment
102-42	Identifying and selecting stakeholders	Stakeholder Engagement & Materiality Assessment
102-43	Approach to stakeholder engagement	Stakeholder Engagement & Materiality Assessment
102-44	Key topics and concerns raised	Stakeholder Engagement & Materiality Assessment

SUSTAINABILITY REPORT

GRI Standards	Disclosure Content	Section Reference/ Reason for Omissions (if applicable)
102-45	Entities included in the consolidated financial statements	Stakeholder Engagement & Materiality Assessment
102-46	Defining report content and topic boundaries	Stakeholder Engagement & Materiality Assessment
102-47	List of material topics	Stakeholder Engagement & Materiality Assessment
102-48	Restatements of information	About This Report
102-49	Changes in reporting	About This Report
102-50	Reporting period	About This Report
102-51	Date of most recent report	05 Apr 2021
102-52	Reporting cycle	About This Report
102-53	Contact point for questions regarding the report	admin@intraco.com
102-54	Claims of reporting in accordance with the GRI Standards	About This Report
102-55	GRI Content Index	GRI Content Index
102-56	External assurance	About This Report
201-1	Direct economic value generated and distributed	Focus 2: Economic Performance
203-2	Significant indirect economic impacts	Focus 3: Innovation and Quality Improvement
205-1	Operations assessed for risks related to corruption	Anti-corruption
205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption
207-1	Approach to tax	Tax Compliance
207-2	Tax governance, control, and risk management	Tax Compliance
207-3	Stakeholder engagement and management of concerns related to tax	Tax Compliance

SUSTAINABILITY REPORT

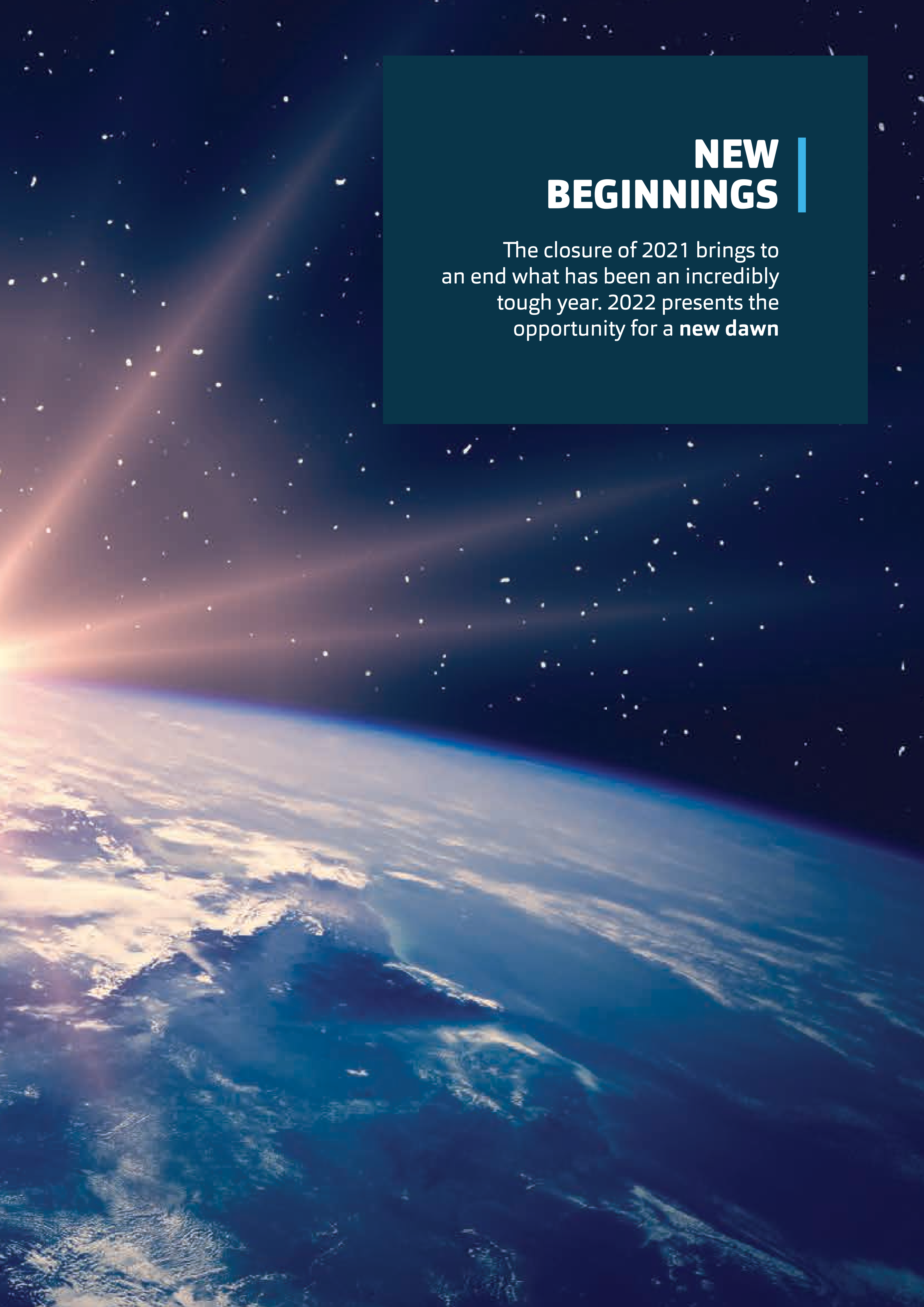
GRI Standards	Disclosure Content	Section Reference/ Reason for Omissions (if applicable)
207-4	Country-by-country reporting	Not applicable. Scope of reporting limited to Singapore.
302-1	Energy consumption within the organisation	Energy Management
302-3	Energy Intensity	Energy Management
302-4	Reduction of energy consumption	Energy Management
303-1	Interactions with water as a shared resource	Waste and Effluents Management
306-1	Waste generation and significant waste-related impacts	Waste and Effluents Management
306-2	Management of significant waste-related impacts	Waste and Effluents Management
306-4	Waste diverted from disposal	Waste and Effluents Management
307-1	Non-compliance with environmental laws and regulations	Corporate Compliance
308-1	New suppliers that were screened using environmental criteria	Supply Chain Management
308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management
401-1	New employee hires and employee turnover	Positive Workplace Environment, Diversity and Inclusion, Employment Rights and Fair Recruitment
403-1	Occupational health and safety management system	Occupational Health and Safety and COVID-19 Safety Measures
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety and COVID-19 Safety Measures
403-3	Occupational health services	Occupational Health and Safety and COVID-19 Safety Measures
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety and COVID-19 Safety Measures
403-5	Worker training on occupational health and safety	Occupational Health and Safety and COVID-19 Safety Measures
403-6	Promotion of worker health	Occupational Health and Safety and COVID-19 Safety Measures

SUSTAINABILITY REPORT

GRI Standards	Disclosure Content	Section Reference/ Reason for Omissions (if applicable)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety and COVID-19 Safety Measures
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety and COVID-19 Safety Measures
403-9	Work-related injuries	Occupational Health and Safety and COVID-19 Safety Measures
404-1	Average hours of training per year per employee	Training and Development, Positive Workplace Environment
404-2	Programs for upgrading employee skills and transition assistance programs	Training and Development
404-3	Percentage of employees receiving regular performance and career development reviews	Positive Workplace Environment, Diversity and Inclusion
405-1	Diversity of governance bodies and employees	Diversity and Inclusion
408-1	Operations and suppliers at significant risk for incidents of child labour	Ethical Labour Practices
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Ethical Labour Practices
413-1	Operations with local community engagement, impact assessments, and development programs	Community Giving
414-1	New suppliers screened using social criteria	Supply Chain Management
414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management
416-1	Assessment of the health and safety impacts of product and service categories	Customer Health and Safety
416-2	Incidents of non-compliance concerning the health and safety of products and services	Customer Health and Safety
418-1	Substantiated complains concerning breaches of customer privacy and losses of customer data	Customer Privacy and Data Protection
419-1	Non-compliance with laws and regulations in the social and economic area.	Corporate Compliance

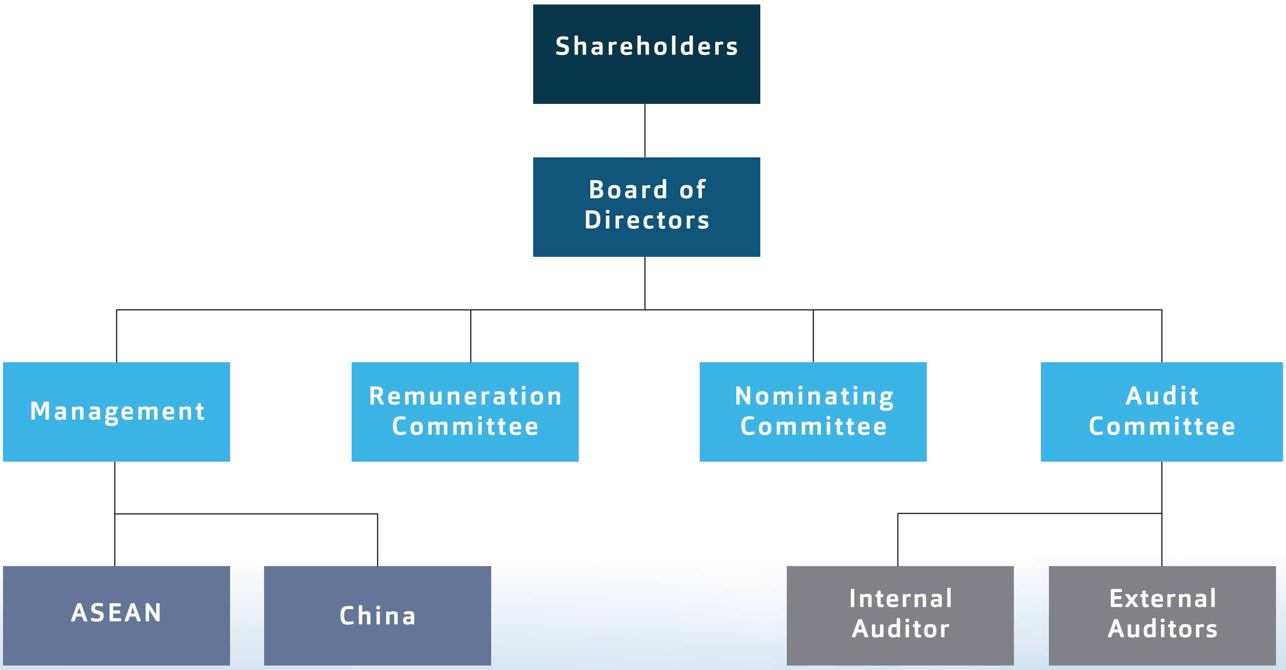
NEW BEGINNINGS

The closure of 2021 brings to an end what has been an incredibly tough year. 2022 presents the opportunity for a **new dawn**



CORPORATE GOVERNANCE REPORT

CORPORATE STRUCTURE



CORPORATE GOVERNANCE REPORT

INTRODUCTION

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

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

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

This report describes the corporate governance framework and practices of the Company with specific reference to each principle as set out in the Code. For the financial year ended 31 December 2021 ("FY2021"), the Board is pleased to report that the Company has complied in all material aspects with the Code. Where there are deviations from any of the guidelines of the Code, explanations as to how the Company's practices were consistent with the intent of the Principle in question are provided in this report. The Company reviews its practices on ongoing basis, as and when required.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

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

Apart from its statutory responsibilities, the Board also:

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

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

CORPORATE GOVERNANCE REPORT

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

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

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

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

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

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

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

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

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

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

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

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

15. succession planning for the Board and KMP/Management; and

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

CORPORATE GOVERNANCE REPORT

In discharging the Directors' fiduciary duties, all Directors are expected to exercise objective judgement and make decisions in the best interest of the Company. A Director who is interested in a transaction or proposed transaction is required to declare if he has a conflict of interest and will abstain from deliberation and voting on the matter.

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

CODE OF BUSINESS CONDUCT AND ETHICS

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

Our Code of Business Conduct and Ethics includes the following key principles:

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

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

Role of Non-Executive Directors

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

Meetings without Management

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

Directors to receive appropriate and relevant training

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

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

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

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

As part of the Board continuing professional development, the Directors had received more than 25 training hours in aggregate through attending various training seminars, courses, conferences and workshops during the year. The Company maintains a register of training to keep track of the training and development hours spent by Directors. The Company is a corporate member of the Singapore Institute of Directors ("SID").

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

- Alumni Forum Europe 2021
- MCD2 – Creating Value at Board Level – Markets vs Stock Value
- Audit Committee Essentials
- Board Risk Committee Essentials

CORPORATE GOVERNANCE REPORT

- SGX Regulatory Symposium 2021: Markets Needs in a Changing Landscape
- The Future of Sustainability Reporting
- SID Corporate Governance Roundup

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

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

INDUCTION SESSION FOR NEW DIRECTORS

During the year, two new Directors were appointed in April 2021. A separate session to brief the new Directors on the Group's various business units was organised and introduction of KMP was made. The head of each respective units also updated the new Directors on their business units' activities and plan.

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

The Board has been working closely with Management to monitor the risks and challenges posed by the COVID-19 pandemic. During the year, the Board was promptly informed of the Company's COVID-19 business continuity plan which was implemented across the business units to ensure appropriate systems and procedures within the Group to specifically address the impact of the pandemic on business operational risks. The Board was also regularly updated on relevant legal and regulatory requirements in light of the evolving COVID-19 situation.

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

During the year, the Board had dissolved the Investment Committee ("IC") which was established to provide advisory support to Management on the below:

1. investment, merger, acquisition and disposal transactions;
2. participation in joint venture or partnership (or such similar arrangement);
3. other capital investments and financial commitments (including treasury management); and
4. Group investment and treasury management policy guidelines and related procedures/processes.

CORPORATE GOVERNANCE REPORT

Due to the current small board size, the Board opined that it would be more efficient to undertake the above duties as part and parcel of the Board's process.

The composition of the current three (3) Board Committees (reconstituted with effect from 1 March 2022) is as follows:

Directors	AC	NC	RC
Mr Mak Lye Mun (Chairman)	Member	Member	Chairman
Dr Tan Boon Wan	Chairman	Chairman	Member
Mr Charlie Ng How Kiat	Member	–	Member
Dr Steve Lai Mun Fook	–	Member	–

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

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

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

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

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

The Company places great emphasis and importance on sustainability and security of information. A secured online portal ("portal") is used to disseminate the Board and Board Committees' papers, view the minutes of Board and Board Committees' meetings for discussion and streamline the process of Board and Board Committees' performance assessments (streamlining process will be found under the relevant section in this Annual Report).

CORPORATE GOVERNANCE REPORT

Soft copies of Board and Board Committees' papers are uploaded onto the Board digital portal which can be accessed anytime on tablet devices provided to Directors. This initiative not only reduces paper waste but also heightens information security as the papers are downloaded through an encrypted channel. A separate resource folder in the portal contains the terms of reference of all Board Committees and all operating policies of the Group for the Directors' reference. These materials are made available on the portal for the Directors' access at all times for reference and follow-up. This approach facilitates discussion and ease of reference.

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

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

	Board	AC	NC	RC	IC	AGM	Strategy Meeting
No. of Meetings held during 2021	**10**	**5**	**4**	**3**	**3**	**1**	**1**
Name of Directors	**No. of Meetings attended in FY2021**						
Mr Mak Lye Mun##	7	3	2	1	–	N/A	1
Dr Tan Boon Wan	10	5	4	2*	–	1	1
Mr Charlie Ng How Kiat	10	3	4	3	3	1	1
Dr Steve Lai Mun Fook	10	3	3**	1*	3	1	1
Mr Colin LowØ	3	2	2	2	3	1	N/A
Mr Shabbir H HassanbhaiØ	3	2	2	2	–	1	N/A
Mr Hoon Chee Wai###	7	3	2	1	–	N/A	1
Mr Tony Chew Leong Chee (Alternate Director to Charlie Ng How Kiat)#	3	N/A	N/A	N/A	N/A	N/A	N/A
Mr Roland Ng San Tiong (Alternate Director to Dr Steve Lai Mun Fook)#	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Appointed on 29 April 2021
Appointed on 29 April 2021, resigned on 1 March 2022
Ø Retired at the last AGM held on 29 April 2021
Resigned on 10 September 2021
** Included one attended by invitation before appointed as NC member
* By invitation

All Key Management Personnel namely the CEO, COO and CFO attended all AC, IC and Board meetings held during the year.

CORPORATE GOVERNANCE REPORT

BUSINESS PROCESSES UNDERTAKEN BY THE BOARD

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

1st Quarter 2022

Board Meeting 1

Setting of Corporate Targets & Initiatives

Review of remuneration packages of Directors and KMP

Board Meeting 2

Review of FY2021 Results

Evaluation of Board/Board Committees/Individual Directors' Performance

Review of Succession Planning for Directors and KMP

2nd Quarter 2022

Annual General meeting
Board Meeting 3

HR Talent Assessment Review

3rd Quarter 2022

Board Meeting 4

Half-Year Results Announcement, Operations Report, Strategy

Forum & Planning Session

4th Quarter 2022

Board Meeting 5

Review of 2022

Performance & Gap

Review of 2023 Budget

Board and Management Operating System – 2021 Business Process & Operating Mechanisms aligned

1st Quarter 2021

Board Meeting 1

Setting of Corporate Targets & Initiatives

Review of remuneration packages of Directors and KMP

Board Meeting 2

Review of FY 2020 Results

Evaluation of Board/Board Committees/Individual Directors' Performance

Review of Succession Planning for Directors and KMP

2nd Quarter 2021

Annual General meeting
Board Meeting 3

HR Talent Assessment Review

3rd Quarter 2021

Board Meeting 4

Half-Year Results Announcement, Operations Report, Strategy

Forum & Planning Session

4th Quarter 2021

Board Meeting 5

Review of 2021

Performance & Gap

Review of 2022 Budget

The above sets out the timeline of Board processes during a calendar year. In order to show the complete cycle for FY2021 Report Review, the processes for the new calendar year, 2022 are also shown.

The Board will meet in January of each year to review and approve the annual budget and set financial targets for the new financial year. Key performance indicators ("KPI") for KMPs including the CEO are also deliberated and agreed at the beginning of the year.

CORPORATE GOVERNANCE REPORT

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

The discussion of KMP's succession planning will also take place. This will allow the NC to set its priorities and look into the gaps concerning management leadership within the Group.

Apart from the review of the Group's half year performance, strategic and other meetings, a separate session for the Board and Management will also be organised for the Board for a more focused discussion on its strategic planning, covering both short and long-term plans. It is also an opportune time to review the progress made by the Group in comparison with its budget decided at the beginning of the year and elaborate the plans and strategies for the future. Heads of business units will be invited to participate in the session. The Board with Management will discuss the mitigation or action plans to achieve the agreed targets. In FY2021, a full day session was organised in August 2021 via zoom for the above purposes.

In November, another performance gap review will be carried out where the Board and Management will fine tune the Group's strategy going forward, according to the performance gap reviews. The budgets and operating plans for the next fiscal year are also tabled and reviewed at this Board meeting.

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

Board and Board Committees papers are disseminated electronically and can be accessed via tablet devices provided to the Directors.

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

Minutes of all Board Committee meetings are circulated to the Board so that Directors are aware of and kept updated as to the proceedings and matters discussed during such meetings.

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

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

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

CORPORATE GOVERNANCE REPORT

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

BOARD COMPOSITION AND GUIDANCE

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

Provision 2.1, 2.2 & 2.3 – Board Composition and Independence of Directors
The Board comprises four (4) Non-Executive Directors, two (2) of whom (including the Chairman) are independent. The composition of the Board is as follows:

Mr Mak Lye Mun	Chairman and Independent Director (appointed 29 April 2021)
Dr Tan Boon Wan	Independent Director
Mr Charlie Ng How Kiat	Non-Independent, Non-Executive Director
Dr Steve Lai Mun Fook	Non-Independent, Non-Executive Director

The Company is represented by its Directors, CEO, COO and CFO on the Boards of its subsidiary and joint-venture.

The Non-Executive Director, Dr Steve Lai as Chairman and Mr Charlie Ng together with the CEO and CFO represent the Company on the Board of K.A. Group Holdings Pte. Ltd. to provide guidance and drive growth in the region and internationally. The Company owns 90% shareholding of K. A. Group Holdings Pte. Ltd.

The CEO and CFO also represented the Company on the Board of its joint-venture Company, Tat Hong Intraco Pte. Ltd. for the pro-active management of its investment.

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

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

CORPORATE GOVERNANCE REPORT

Independence of Director

The NC reviews annually the independence of each Director taking into account the existence of relationships or circumstances, including those provided in the Code. Each Independent Director is required to complete a Confirmation of Independence form based on Principle 2 of the Code for the NC's review and recommendation to the Board.

Taking into consideration the foregoing, the NC has determined Mr Mak Lye Mun, Dr Tan Boon Wan and Mr Hoon Chee Wai (before he stepped down as Independent Director on 1 March 2022), to be independent. Each of these Directors has also confirmed their independence. Mr Charlie Ng How Kiat is not independent by virtue of him representing the interests of the 5% shareholders (as defined under the Code) of the Company.

The Nominating Committee and the Board had taken a review of Dr Steve Lai's circumstances in which he is deemed as a non-independent Director since his appointment on 28 April 2015.

Dr Lai is considered a non-independent Director due to his representation of the substantial shareholder's interest, TH Investments Pte Ltd ("TH") which indirectly implied that he was associated with Mr Roland Ng San Tiong ("Mr Roland Ng") as TH is beneficially owned by Mr Roland Ng.

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

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

The NC had then reviewed Dr Lai's non-independent circumstances pursuant to the rule, provisions and guidance under the Listing Rules, Code of Corporate Governance 2018 ("CG 2018") as well as the Practice Notes respectively.

Under the Practice Guidance 2, a director would not be deemed independent if he is or has been directly associated with a substantial shareholder of the Company in the current or immediate past financial year. In this respect, the NC has concluded and recommended to the Board that Dr Lai would still be deemed as Non-Independent Director for FY2021 and for the current financial year ending 31 December 2022 ("FY2022"). Other than this, Dr Lai has satisfied the criteria of independence prescribed under Listing Rules and CG2018. The Board has accepted the NC's conclusion and recommendation.

The NC and Board intend to re-designate Dr Lai to be Independent Director in 2023 barring no change to his independence criteria by then. The Company will make the relevant announcements required under the listing rules when appropriate.

The Board concurred with the views of the NC. Each of the Directors abstained from the deliberation of his own independence.

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

CORPORATE GOVERNANCE REPORT

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

Name of Director	Position	Date of Initial Appointment	Date of last Re-appointment/Re-election
Mr Mak Lye Mun	Chairman and Independent Director	29 April 2021	NA
Dr Tan Boon Wan	Independent Director	5 October 2004	18 April 2019
Mr Charlie Ng How Kiat	Non-Independent Non-Executive Director	22 November 2012	24 June 2020
Dr Steve Lai Mun Fook	Non-Independent Non-Executive Director	28 April 2015	24 June 2020

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

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

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

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

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

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

With effect from 1 January 2022, Rule 210(5)(d)(iii) of Listing Rules requires re-election of an independent director who has been a director on the Board for an aggregate period of nine years to be approved in separate resolutions by (i) all shareholders and (ii) all shareholders excluding shareholders who are also the associates of the Directors or the CEO (and their associates). Dr Tan's independence pursuant to Listing Rule 210(5)(d)(iii) was tabled and approved by the Company's shareholders at the last Annual General Meeting ("AGM") held on 28 April 2021. As Dr Tan is due for rotation retirement pursuant to the Regulation 115 of the Company's Constitution, the Company will again be tabling the independence of Dr Tan pursuant to the Listing Rule 210(5)(d)(iii) at the forthcoming Company's AGM.

Provision 2.4 – Board to determine its appropriate size and Board Diversity
The NC reviews the size and composition of the Board to ensure that the size of the Board is conducive for effective discussions and decision-making and that the Board has the appropriate mix of expertise and experience as well as an appropriate balance of Independent Directors.

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

During the year, two new Directors were appointed as part of Board succession planning. In view of the full attendance and time commitments of the two Non-Executive Directors to the affairs of the Group, their respective alternate Directors also resigned from the Board on 10 September 2021.

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

The NC, with the concurrence of the Board, considers its current board size appropriate for effective decision-making, taking into account the scope and nature of the Group's businesses and operations.

CORPORATE GOVERNANCE REPORT

Board Diversity

The Board has put in place a Board Diversity Policy which recognises that a diverse Board will enhance decision making process by utilising a variety in skills, industry and business experience, gender, age and other distinguishing qualities of the members of the Board. In accordance with the Board Diversity Policy, the NC shall strive for the inclusion of diverse groups and viewpoints. The final decision on selection of directors will be based on merit against the objective criteria set and after giving due regard for the benefits of diversity on the Board. The NC has reservations on setting a quota as a target as it may detract from the more fundamental principle that the candidate must be of right fit and meet the relevant needs and vision of the Company. Notwithstanding, the NC is cognisant of the new Listing Rule 710(A) with effect from 1 January 2022. The NC will look into the requirement of setting diversity targets on the Board among other factors.

Diversity will be considered in determining the optimum composition of the Board as a whole. The Board believes that board diversity is more than just about gender diversity and embraces other factors such as a need for individuals from all backgrounds, skill-sets, life experiences, abilities and beliefs for better Board performance.

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

If there is a need for Board renewal or adding in new member, the Board will abide by the Board Diversity Policy in its search of the new director candidate.

Profiles of the Directors are set out on pages 10 to 11 of this Annual Report.

CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

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

Provision 3.1 – Chairman and Chief Executive Officer ("CEO") should be separate persons

The positions of the Chairman and CEO are separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

Mr Mak Lye Mun, an Independent Director, was appointed as the Chairman of the Board on 29 April 2021. The Chairman and the CEO are not related. The Board has put in place the terms of reference of Chairman and CEO which set out clearly their respective duties. The Chairman and the CEO jointly oversee the observance of high standards in corporate governance and compliance with the Code.

Provision 3.2 – Roles of Chairman and CEO

The Chairman presides over the business of the Board and monitors the translation of the Board's decisions and directions into executive action. In addition, the Chairman provides close oversight, guidance, advice and leadership to the CEO and senior management. The Chairman also plays a crucial role in fostering constructive dialogue between shareholders, the Board and Management at the Company's AGM. The Chairman leads the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the Board, Management and Company Secretary.

The Chairman acts independently in the best interest of the Company and its shareholders. The Chairman helps ensure that there is mentorship, unity of purpose within the Board and that the Board engages in productive discussions on all critical strategic, business, financial and planning matters.

CORPORATE GOVERNANCE REPORT

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

1. constructively determining and approving, with the full Board, the Company's strategic direction;
2. ensuring that the Board is properly organised, functioning effectively and meeting its obligations and responsibilities;
3. setting the agenda and ensuring adequate time is available for discussion of all agenda items, in particular, strategic matters;
4. ensuring that Directors receive complete, adequate and timely information;
5. fostering effective communication and constructive relations amongst the Directors, within Board Committees, between shareholders, between the Directors and Management;
6. encouraging the constructive exchange of views within the Board and between Board members and Management;
7. facilitating the effective contribution of Non-Executive Directors and Independent Directors;
8. promoting a culture of openness and debate at the Board level and promoting high standards of corporate governance; and
9. establishing a relationship of trust with the CEO.

The CEO leads the Management and ensures the development and execution of the Company's long-term strategy and plans:

1. day-to-day running of the Group's business in accordance with the business plans and within approved budgets;
2. meeting or communicating with the Chairman on a regular basis to review key developments, issues, opportunities and concerns;
3. developing and proposing the Group's strategies and policies for the Board's consideration;
4. implementing the strategies and policies approved;
5. maintaining regular dialogue with the Chairman and Chairmen of the Board Committees on important and strategic matters facing the Group;
6. providing timely reports, information, proposals and decisions for the Board to fulfil its duties;
7. ensuring the Board is alerted to forthcoming complex, contentious or sensitive matters affecting the Group of which they might otherwise not be aware; and
8. overseeing the affairs of the Group in accordance with the policies, practices, procedures and values adopted by the Board. Promote and instill in the entire Leadership Team the highest standards of integrity, probity and corporate governance within the Group.

CORPORATE GOVERNANCE REPORT

Provision 3.3 – Lead Independent Director
Given that the independence of the Chairman and the strong independence element on the Board to enable the exercise of independent and objective judgement on the corporate affairs of the Group, the Board is of the view that there are adequate safeguards and checks in place to ensure that the process of decision-making by the Board is based on collective decision of the Directors, without any concentration of power or influence residing in any individual. In view thereof, there is no need for the Company to have a lead independent director.

BOARD MEMBERSHIP

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

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

Dr Tan Boon Wan (Chairman)
Mr Mak Lye Mun
Mr Steve Lai Mun Fook

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

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

1. identifying candidates and reviewing all nominations for the appointment or re-appointment of Directors, the CEO of the Group, and determining the selection criteria;
2. reviewing the independence of each Independent Director annually;
3. deciding whether a Director is able to and has been adequately carrying out his duties as Director of the Company, particularly where the Director has multiple board representations;
4. reviewing the Board structure, size and composition and making recommendations to the Board with regard to any adjustments that are deemed necessary;
5. reviewing Board succession plans for Directors, in particular, the Chairman, the CEO and KMPs;
6. determining how the Board and Board Committees' performance may be evaluated and proposing objective performance criteria for the Board's approval;
7. reviewing the training and professional development programmes for the Board;
8. reviewing the Board structure, size, composition and balance and making recommendations to the Board; and
9. the re-election of Director(s) by shareholders under the "retirement by rotation" provisions in the Company's Constitution having due regards to the composition and progressive renewal of the Board, and the competency, performance and contribution of the Director including his attendance, preparedness and participation at Board and its Board Committees meetings. A Director's time and effort accorded to the Company's business and affairs will also be considered. Where appropriate, the NC will also consider the Director's independence.

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Summary of activities carried out by the NC includes:

i) Reviewed the succession planning of the Board and KMPs during the year. For the latter, the NC ensures that there is contingency leadership put in place. As per the Company's announcement dated 16 February 2022, the Company had announced KMP changes as part of KMP's and Board's succession. As disclosed, the current CEO, Mr Nicholas Yoong, will not be renewing his service agreement upon its expiry on 30 June 2022. In his place, Mr Edmond Lee, the current Chief Operating Officer ("COO") has been designated as Interim CEO, Designate with effect from 1 March 2022. This would allow smooth continuity in transfer of leadership duties before Mr Yoong leaves the Company. At the same time, Mr Hoon Chee Wai has stepped down as Independent Director and took on the COO role with effect from 1 March 2022.

   Mr Lee will continue to oversee the Group's commodities trading business and mobile radio infrastructure management services. Mr Hoon will oversee all the corporate functions in the Group as well as its fire protection services and the new digital assets management services.

ii) Reviewed its terms of reference to be in line to the Code

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

   The Company's Constitution requires all Directors to submit themselves for re-nomination and re-election at least once every three (3) years; and at least one-third of the Directors for the time being to retire from office by rotation. New Directors appointed during the year are subject to retirement and re-election at the following AGM of the Company.

   The NC, with each NC member abstaining in respect of his own re-election, has recommended the nomination of the following Directors retiring under Regulation 115 and Regulation 119 of the Company's Constitution at the forthcoming AGM of the Company:

   (a) Mr Mak Lye Mun – retiring pursuant to Regulation 119

   (b) Dr Tan Boon Wan – retiring pursuant to Regulation 115

All the abovenamed Directors have consented to be re-elected. Their details are set out on pages 12 to 14 of this Annual Report.

The Board has accepted the recommendations of the NC.

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

   The NC is charged with determining the independence of the directors as set out under Provision 2.1 above as well as the relationships or circumstances which would deem a director not to be independent. The NC also reviewed the independence of Dr Tan who has served on the Board beyond nine years and recommended Dr Tan's independence be tabled for shareholders' approval pursuant to SGX-ST Listing Rule 210(5)(d)(iii).

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v) Provision 4.5 – Board Representations

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

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

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

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

Name of Director	Past Directorships in other listed companies and principal commitments over the preceding three years	Present Directorships in other listed companies and principal commitments
Mr Mak Lye Mun	Principal Commitment – Boardroom Limited	Listed Companies – Hwa Hong Corporation Limited Boustead Singapore Limited AV Jennings Limited
Dr Tan Boon Wan	Nil	Nil
Mr Charlie Ng How Kiat	Nil	Principal Commitments – Asia Resource Corporation Pte Ltd Macondray Holdings Pte Ltd Alliance Asia Holdings Pte Ltd
Dr Steve Lai Mun Fook	Nil	Listed – Yongmao Holdings Limited Vertex Technology Acquisition Corporation Ltd

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

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

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

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

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

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

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

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

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

BOARD PERFORMANCE

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

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

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

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Since FY2019, Directors participated in the evaluation through a secured online portal, providing more efficiency and convenience as the portal can be accessible anytime. The portal allows the viewing, editing and submission online thus eliminating the need for physical forms to be returned to the Company Secretary for the collation of results. It also ensures accuracy during results extraction and collation by reducing human error.

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

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

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

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

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

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

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

The results of the Board, Board Committees and Individual Director evaluation are compiled by the Company Secretary and given to the NC. Areas of strength and recommendations, if any, for improvements will be identified by the NC and tabled to the Board for discussion.

In discussing the results of the performance evaluations for FY2021, the Board and Board Committee members were able to identify areas for improving their effectiveness.

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The NC was generally satisfied with the FY2021 Board and Board Committees' performance evaluation results. No significant problems were identified. Board members had been engaged in more discussions and the NC together with the Board Chairman concurred that the Board had made good progress during the year. The NC will continue to review the evaluation process from time to time. The Board concurred with the NC's recommendation.

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

The assessment of CEO's performance is undertaken by the NC and the results are reviewed comprehensively by the Board. Feedback is also provided to the CEO by the NC Chairman and the NC which will also report the same to the Board.

REMUNERATION MATTERS

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

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

Mr Mak Lye Mun (Chairman)
Dr Tan Boon Wan
Mr Charlie Ng How Kiat

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

The TOR of the RC include:

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

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

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

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4. reviewing the remuneration of the top five (5) KMP (who are not Directors) in accordance with the approved remuneration policies and processes of the Company;

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

6. administering the INTRACO Employee Share Option Scheme (the "2013 Scheme") and any other share option scheme or share plan established from time to time for the Directors and KMP. More information on the 2013 Scheme is set out in the Directors' Statement on pages 95 to 98;

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

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

In FY2021, the RC reviewed its terms of reference and no changes were proposed as it is in line with the Code.

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

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

None of the Non-Executive Directors has service contracts or consultancy arrangements with the Company. They are paid Directors' fees based on a structured fee framework reflecting the responsibilities and time commitment of each Director. The fee framework comprises a base fee, attendance fees, and additional fees for holding appointment as Chairman of the Board or Chairman/member of Board Committees.

The annual quantum of Directors' fees to be paid is also reviewed by the RC and the Board before submission to shareholders for approval at the Company's AGM.

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

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

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

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Provision 6.4 – RC access to expert professional advice
The RC has access to expert professional advice on remuneration matters as and when it deems necessary in framing the remuneration of Directors. The expenses incurred from such advice shall be borne by the Company. For FY2021, no remuneration consultant was appointed to review the remuneration of Directors and KMP.

LEVEL AND MIX OF REMUNERATION

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

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

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

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

The CEO, Mr Nicholas Yoong is remunerated as part of Management. As per the Company's announcement of 16 February 2022, Mr Yoong will not be renewing his service agreement at the expiry of his service agreement on 30 June 2022. During Mr Yoong's tenure, he oversaw the Company's portfolio reorganisation aimed at achieving long-term growth and sustainability. Given the completion of the objectives set, Mr Yoong will cease as the CEO of the Company on 30 June 2022.

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

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

Long-term Incentive Scheme
The employees of the Group, including Non-Executive Directors, are eligible to participate in the 2013 Scheme. The 2013 Scheme serves as a long-term incentive scheme to better align the interest of KMP with the Company's shareholders. No options were granted under the 2013 Scheme in FY2021.

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The RC will look into implementing other appropriate long-term incentive plan for KMP of the Group to encourage alignment of KMP's interests with that of shareholders.

The Company has also adopted a Share Buyback Mandate since FY2018 which provides the Directors with the flexibility to utilise the shares which were purchased or acquired and held as treasury shares for any long-term share incentive schemes to be initiated by the Company as a means to reward and improve the long-term performance of the employees and in turn the Company and Group at large. The Company will utilise treasury shares instead of new issuance of shares as this would provide greater flexibility to manage and minimise the dilution impact (if any) arising from these share incentive schemes. (this may not work if they are giving a lot to the new people)

Reclaim Incentive Components

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

Provision 7.2 – Remuneration of Non-Executive Directors

The RC has recommended to the Board a total amount of up to S$400,000 as Directors' fees for the financial year ending 2022 ("**FY2022**"), to be paid quarterly in arrears. This would be tabled at the forthcoming AGM for shareholders' approval.

The Board concurred with the RC that the proposed Directors' fees for FY2022 is appropriate and not excessive, taking into consideration the level of contributions by the Directors, their responsibilities and obligations and factors such as efforts and time spent for serving on the Board and Board Committees.

The structure of the fees payable to the Non-Executive Directors of the Company for FY2021 is as follows:

	Chairman	Member
Board	S$60,000	S$30,000
Audit Committee	S$20,000	S$15,000
Nominating Committee	S$11,250	S$5,625
Remuneration Committee	S$11,250	S$5,625
Investment Committee	S$11,250	S$5,625
Attendance Fee per meeting	S$1,000	

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DISCLOSURE ON REMUNERATION

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

Provision 8.1, 8.2 & 8.3 – Remuneration of Directors, CEO and Top Five KMP

Every Director receives a basic fee. In addition, he receives a Chairman's fee if he is the Chairman of the Board, as well as the relevant Board Committee fee (depending on whether he served in the capacity as the Chairman or as a member of the relevant Board Committee) for each position held on a Board Committee. Each Director also receives an attendance fee for each Board meeting, Board Committees' meetings and other meetings such as strategic sessions, private Board and Board Committee sessions.

The amount of Directors' fees has been computed on the basis of the anticipated number of Board and Board Committee meetings for FY2021, assuming attendance by all the Directors at such meetings, and also caters for additional fees (if any) which may be payable due to additional ad-hoc meetings. Additional Directors' fees over and above the approved Directors fees at the last AGM will only be paid if approved at the AGM in 2022.

A summary compensation table of the Directors receiving remuneration from the Company for FY2021 is appended below:

Name of Directors	Directors' Fees	Total (S$)
Mr Mak Lye Mun	100%	64,366
Mr Hoon Chee Wai (resigned on 1 March 2022)	100%	48,872
Dr Tan Boon Wan	100%	72,625
Mr Charlie Ng How Kiat	100%	67,444
Dr Steve Lai Mun Fook	100%	61,791
Mr Colin Low (retired at last AGM on 28 April 2021)	100%	42,702
Mr Shabir H Hassanbhai (retired at last AGM on 28 April 2021)	100%	31,822
Total	**100%**	**389,622**

A summary compensation table of Dr Steve Lai and Mr Charlie Ng receiving remuneration from KA Group for FY2021 is appended below:

Name of Directors	Total (S$)
Dr Steve Lai Mun Fook	15,250
Mr Charlie Ng How Kiat	4,000

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A summary compensation table of the CEO and KMP receiving remuneration from the Company for FY2021 is appended below:

Remuneration Band & Name of CEO and KMP	Salary	Bonus	Other Benefits[1]	Total (S$)
S$500,000 to S$749,999				
Mr Nicholas Yoong Swie Leong	76.9%	6.4%	16.7%	100.0%
S$250,000 to S$499,999				
Mr Soh Yong Poon	64.8%	20.8%	14.4%	100.0%
Ms Caren Soh Ying Sin	62.7%	21.8%	15.5%	100.0%
Mr Edmond Lee Teng Chye	75.4%	15.7%	8.9%	100.0%
Below S$250,000				
Ms Maggie Yeo Sock Koon[3]	84.3%	7.0%	8.7%	100.0%
Mr Peter Tan Kok Seng[2]	85.8%	7.4%	6.8%	100.0%

Notes:

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

2 Mr Peter Tan Kok Seng resigned as Senior Vice President of the Company on 28 January 2022.

3 Ms Maggie Yeo has tendered her resignation as CFO and her last day with the Company will be 31 May 2022.

The Company's Non-Executive Directors who also sit on board of the Company's principal subsidiary, K. A. Group Holdings Pte Ltd, are also remunerated with Directors' Fees in recognition of their time and contributions in guiding the board and management of KA Group. The Directors' Fees in KA Group are structured in Chairmanship fee of S$11,250 and attendance fee of S$1,000 per meeting.

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

Given the confidentiality and sensitive nature of the subject, the Company is of the view that it is not in the best interest of the Company to disclose the specific remuneration of the CEO and KMP as this disclosure may adversely affect the Company's talent retention. The Company believes that disclosure of the KMP's remuneration in bands of S$250,000 should be sufficient to provide an insight into the link between their compensation and performance and sufficient for shareholders to have an adequate appreciation of the remuneration of the Company's KMP. Further details are deemed to be not in the interest of the Company due to the competitiveness of the industry for key talents. The aggregate remuneration paid to the said KMP (who are not Directors or CEO of the Company) in FY2021 amounted to S$1,455,000.

The RC sets clear key performance indicators for KMP with due weightage on each deliverable factor by respective KMP. The Group also adopts a remuneration policy that is performance based for KMP and such approach is consistent with prior years. The Group's remuneration policy comprises a fixed component (in the form of a base salary and benefits) and a variable component (in the form of a variable bonus that is linked to the Company and individual performance). As such, the Company is of the view that its practices are consistent with the intent of Principle 8 of the Code as a whole.

The outgoing CEO is entitled to a conditional bonus equivalent to his one month base salary subject to the recoverable of certain receivables by 31 December 2023 and such amount recovered being written back into the Group's financial statements in the relevant financial year end and agreed upon by the Company's external auditor. The receivables

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had been fully provided for in the Group's financial statements between 2009 to 2011. Apart from this disclosure, no termination, retirement and post-employment benefits were granted to the Directors and the KMPs for FY2021.

Employees who are Substantial Shareholders, Immediate Family Members of a Director or the CEO or a Substantial Shareholder
There are no employees who are substantial shareholders of the Company or immediate family members of a Director, the CEO or a substantial shareholder, and whose remuneration exceeds S$100,000 in FY2021.

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

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

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Adequacy and Effectiveness of Risk Management and Internal Control Systems

The Board has adopted an enterprise risk management ("ERM") framework. This risk framework has five (5) principal risk categories, namely strategic, financial, operational, compliance and information technology risks.

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

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

Risk Management Policies and Processes

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

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

Adequacy and Effectiveness of Internal Controls

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

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

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

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

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

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

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

4. there are no known significant deficiencies or lapses in the risk management and internal controls systems relating to the Company's financial, operational, compliance and information technology controls which could

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adversely affect the Company's ability to record, process, summarise or report financial data, or of any fraud, whether material or not.

For FY2021, the Board had received the Management Assurance Letters duly signed by the (i) CEO and CFO; and (ii) the CEO and other key management personnel.

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors, reviews performed by Management and the various Board Committees and the Management Assurance Letters, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective as at 31 December 2021 to address financial, operational and compliance risks, including information technology risks, which the Company considers relevant and material to its operations.

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

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

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

As part of the risk management process, general IT controls and cyber security measures are also reviewed to ensure that IT risks and cybersecurity threats are identified and mitigated. The AC had during the year approved the engagement of a professional to undertake a thorough review of the Group's IT system in 2022.

Further to the Regulator's Column of 7 March 2022 on SGX's expectations of issuers in respect of sanctions-related risks, Management would like to update that Intraco Trading Pte Ltd ("ITPL") has cancelled all its shipment orders placed with its supplier in Russia save for those which had already been committed and duly delivered to the Group. As ITPL has alternate suppliers other than in Russia, ITPL's exposure of securing supply from Russia would not have any material impact to ITPL's business. On this basis, the Board confirms that (a) there has been no change in the Group's risk of being subject to any Sanctions Law; and (b) there is adequacy and effectiveness of the Company's internal controls and risk management systems with respect to any sanctions-related risk. The AC also concurs with the Board's comment on this.

Separate Risk Committee
The Company does not have a Risk Committee. However, Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the AC and Board.

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

Accountability for Accurate Information
The Board endeavours to ensure that the annual audited financial statements and half-yearly announcements of the

CORPORATE GOVERNANCE REPORT

Group's results present a balanced and understandable assessment of the Group's position and prospects. The Board embraces openness and transparency in the conduct of the Company's affairs, whilst preserving the commercial interests of the Company. Financial and other price sensitive information are disseminated to shareholders through timely announcements via SGXNet.

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

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

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

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

AUDIT COMMITTEE

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

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

Dr Tan Boon Wan (Chairman)
Mr Mak Lye Mun
Mr Charlie Ng How Kiat

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

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

Authority of the AC
The AC has explicit authority to investigate any matter relating to the Group's accounting, auditing, internal controls

and financial practices brought to its attention with full access to records, resources, and personnel to enable it to discharge its functions properly; and has full access to and cooperation of Management and the discretion to invite any Director or officer to attend its meetings.

Provision 10.1 – Duties of AC and Activities of the AC

The TOR of the AC include:

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

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

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

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

5. the cost-effectiveness, independence and objectivity of the external auditors, nature and extent of non-audit services provided and approval of audit and non-audit fees payable to the external auditors. Audit and non-audit fees which comprised corporate tax compliance services paid to the external auditors, KPMG LLP, amounted to S$237,011 and S$40,020 respectively;

6. making recommendations to the Board for the appointment or re-appointment of the external auditors of the Company. The Company's existing auditors, KPMG LLP, has been auditors of the Group since the financial year ended 31 December 2005. The Directors are of the view that it would be timely to effect a change of external auditors as it would enable the Company to benefit from fresh perspectives. BDO LLP was selected for the proposed appointment after the Audit Committee ("AC") evaluated competitive proposals from various audit firms. The AC has reviewed and taken into consideration the Audit Quality Indicators Disclosure Framework issued by ACRA such as the adequacy of the resources, the audit engagements and the experience of BDO LLP, the number and experience of the supervisory and professional staff who will be assigned to the audit of the accounts of the Company and its subsidiaries (the "Group"). The appointment of BDO LLP will also result in cost savings for the Group of approximately S$44,000 due to the lower audit fees. The Audit Committee has assessed and does not expect the reduction in cost to affect the quality and scope of the audit to be undertaken by BDO LLP which will be performed in accordance with the Singapore Standards of Auditing. After evaluation, the AC recommended that BDO LLP be selected for the proposed appointment with effect from the financial year ending 31 December 2022 on the basis that it best suits the current business and operational needs of the Group;

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

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

CORPORATE GOVERNANCE REPORT

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

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

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

During FY2021, the AC had carried out the above duties as provided in their TOR. In addition, the AC also assessed the impact of the COVID-19 pandemic and ensured adequate cash flow to sustain the Group's operations on an on-going basis and assisted the Board to review the Company's sustainability reporting framework. The Sustainability Steering Committee oversees the development, review and implementation of the Group's sustainability policies, practices and initiatives. The Sustainability Steering Committee comprises CEO as the Chairman, the CFO and any other business heads that the Chairman deems suitable. The Sustainability Steering Committee is governed by its term of governance and had met twice during FY2021.

In FY2021, the AC also reviewed its terms of reference which is in line with the Code.

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

In performing its functions, the AC also confirms that the Company has complied with Listing Rules 712 and 715 (read with Rule 716) in relation to the appointment of the same auditing firm based in Singapore to audit the financial statements of the Company, all of its Singapore-incorporated subsidiaries and joint venture.

The Group's subsidiaries and joint venture are disclosed under Notes 6 and 7 of the Notes to the Financial Statements on pages 141 to 143 of the Annual Report.

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

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

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

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

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

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

New employees are briefed on the policy.

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

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

Provision 10.5 – Internal Audit
The role of IA is to provide independent and objective assurance that adds value and improves the Group's operations. The IA helps the Group to accomplish its objectives by providing a systematic, disciplined approach to evaluate and improve the effectiveness of internal controls, risk management and governance processes. The IA conducts regular audits of the Group's subsidiaries based on a risk based audit approach in its audit plan approved by the AC. The IA of the Company reports functionally to the AC Chairman and administratively to the CEO. The AC is responsible for the appointment, termination and remuneration of the IA.

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

The role of the IA is to support the AC in ensuring that the Group maintains a sound system of internal controls by highlighting any weaknesses in the current process, ascertaining that operations were conducted in accordance with

CORPORATE GOVERNANCE REPORT

established policies and procedures, and identifying areas for improvement where controls can be strengthened.

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

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

During FY2021, the IA completed its internal audit review of the Group on key processes in treasury, operations, finance. regulatory compliance, information technology etc. The findings and recommendations of the IA, Management's responses and implementations have been reviewed and approved by the AC.

For FY2021, the AC and Management reviewed the IA's effectiveness and adequacy by completing a questionnaire evaluating the IA's standing within the Company, resources in the IA department and the effectiveness and adequacy of the internal process based on the nature and extent of the Group's operations.

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

KEY AUDIT MATTER

In the review of the financial statements, the AC had discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements and considered the clarity of key disclosures in the financial statements. The AC reviewed, amongst other matters, the following key audit matters reported by external auditors for FY2021.

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

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

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

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

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

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

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

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

The Company convened its shareholders' meetings virtually in 2021 while adhering to the various advisories and guidance issued by the authorities on holding meetings amid the COVID-19 outbreak.

As permitted under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company will convene its 2022 AGM by electronic means. Alternative arrangements relating to attendance at the 2022 AGM via electronic means include arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream, submission of questions to the Chairman of the meeting in advance of the meeting, or by posing questions "live" at the virtual meeting during the live audio-visual webcast, and "live" voting at the AGM. The relevant rules including the voting procedures are set out in the notice of general meetings.

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

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(as the case may be).

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

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

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

No dividend was declared or recommended as the Company recorded a loss for FY2021.

ENGAGEMENT WITH SHAREHOLDERS

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

Provision 12.1 – Communication with Shareholders
The Company believes in high standards of transparent corporate disclosure and is committed to disclose to its shareholders, the information in a timely and fair manner via SGXNet, its corporate website at www.intraco.com and the media. Where there is inadvertent disclosure made to a select group, the Company will make the same disclosure publicly to all others as soon as possible.

The Company does not practise selective disclosure. Price-sensitive information is publicly released and results and annual reports are announced or issued within the mandatory period and are available on the Company's website. All shareholders of the Company receive the digital annual report and notice of AGM as well as any circular and notice of Extraordinary General Meeting. These notices are also advertised in the newspaper and made available on the Company's website.

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

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

The Chairman and CEO are empowered to act as spokespersons towards security holders and securities markets professionals. Enquiries are to be directed to the Company's email at admin@intraco.com. To-date, given the nature of the Company's business which has not materially changed, the Company has not solicited the views of shareholders

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other than those expressed by them during its general meetings. The Company will review the need for analyst briefings, investor roadshows or Investors' Day briefings when necessary.

MANAGING STAKEHOLDERS RELATIONSHIPS

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

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

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

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

CONDUCT AND ETHICS POLICY

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

DEALINGS IN SECURITIES (LISTING RULE 1207(19))

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

The Company will be seeking a renewal of its Share Buyback Mandate at the upcoming AGM. In connection with the Share Buyback Mandate, the Company has also put in place a Share Buyback Policy. The Company confirmed that it has adhered to its policy for securities transactions for FY2021.

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

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

In accordance with Rule 907 of the SGX-St Listing Manual, the IPT for FY2021 is as follows:–

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	
		2021 S$'000	**2020 S$'000**
Tat Hong HeavyEquipment (Pte.) Ltd	An entity of which Mr Roland Ng San Tiong (a controlling shareholder of the Company) has a deemed interest of 100%		
Net proceeds from sale of cranes		374	–

MATERIAL CONTRACTS (LISTING RULE 1207(8))

Except as disclosed in Note to the Financial Statements and the Supplementary Information, there were no material contracts entered by the Company or its subsidiaries involving the interests of the CEO, each Director or controlling shareholders in FY2021.

DIRECTORS' STATEMENT

We are pleased to submit this directors' statement to the members of the Company together with the audited financial statements for the financial year ended 31 December 2021.

In our opinion:

(a) the financial statements set out on pages 103 to 182 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)"); and

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

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

DIRECTORS

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

Mr Mak Lye Mun	(Appointed on 29 April 2021)
Dr Tan Boon Wan	
Mr Charlie Ng How Kiat	
Dr Steve Lai Mun Fook	

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), no director who held office at the end of the financial year had interests in shares, debentures, warrants and share options in the Company and of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year or 21 January 2022.

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

DIRECTORS' STATEMENT

SHARE OPTIONS

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

Information regarding the 2013 Scheme is set out below:

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

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

  (i) persons to be granted options;

  (ii) number of options to be offered; and

  (iii) recommendations for modification to the 2013 Scheme.

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

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

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

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

- The 2013 Scheme shall continue in operation for a maximum duration of ten (10) years and may be continued for any further period thereafter with the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

DIRECTORS' STATEMENT

There were no options granted since commencement of the 2013 Scheme till the end of the financial year.

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

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

AUDIT COMMITTEE

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

- Dr Tan Boon Wan (Chairman), Independent Director
- Mr Mak Lye Mun, Independent Director
- Mr Charlie Ng How Kiat, Non-Independent Non-Executive Director

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

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

The Audit Committee also reviewed the following:

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

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

The Audit Committee has made its recommendations to the Board of Directors and the Board of Directors is satisfied with the proposed appointment of BDO LLP as external auditors of the Company in place of the retiring auditors, KPMG LLP, at the forthcoming annual general meeting of the Company.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712, 715 and 716 of the Listing Manual of the SGX-ST.

DIRECTORS' STATEMENT

AUDITORS

The auditors, KPMG LLP, will not be seeking re-appointment and BDO LLP has been nominated to be the auditor for the ensuing year. The appointment of BDO LLP is subject to shareholders' approval at the forthcoming 2021 Annual General Meeting.

On behalf of the Board of Directors

Mr Mak Lye Mun
Chairman

Dr Tan Boon Wan
Director

Singapore
22 March 2022

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY INTRACO LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Intraco Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2021, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 103 to 182.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

The measurement of revenue in the projects business
(Refer to Note 18 – Revenue)

Risk

The amount of revenue recognised on the projects business, specifically uncompleted projects, is dependent on the assessment of the total project costs to be incurred to fulfil the contract and costs incurred to-date to determine the timing of satisfaction of performance obligations (using the input method). As significant judgement and uncertainty is involved in estimating the total project cost to be incurred to fulfil the contract and costs incurred to-date of each project, the Group might inappropriately account for revenue.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY INTRACO LIMITED

Our response

We tested the controls designed and applied by the Group in assessing total project costs to be incurred to fulfil the contract and costs incurred to-date, and that the resulting estimated revenue on such projects are accurately reflected in the financial statements. We evaluated the reasonableness of the total project costs to be incurred to fulfil the contract by comparing total project costs and costs incurred to-date against project progress. We assessed the reasonableness of the assumptions applied to estimate the cost incurred to-date and corroborated the key assumptions to supporting evidence such as quantity surveyors' reports.

We also checked the mathematical accuracy of the revenue for each significant project and changes in estimates.

Our findings

Our testing did not identify any deviation in the operation of controls. Based on our procedures, we found the estimates and assumptions applied for recognition of revenue to be balanced. We did not identify any mathematical errors in respect of revenue and costs calculation for significant projects.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of the auditors' report.

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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

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

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY INTRACO LIMITED

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.

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

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

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

- Obtain an understanding of internal controls 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 controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY INTRACO LIMITED

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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 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 auditors' report unless the law or regulations preclude 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 auditors' report is Sarina Lee.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
22 March 2022

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	Group 2021 S$'000	Group 2020 S$'000	Company 2021 S$'000	Company 2020 S$'000
Assets					
Non-current assets					
Property, plant and equipment	4	13,057	14,507	323	446
Intangible assets	5	158	256	158	256
Subsidiaries	6	–	–	18,738	11,312
Joint venture	7	609	571	550	550
Other investments	8	636	–	–	–
		14,460	15,334	19,769	12,564
Current assets					
Other investments	8	24,731	–	24,731	–
Inventories	9	1,702	1,522	–	–
Trade and other receivables	10	18,069	15,455	15,942	18,494
Contract assets	11	2,762	2,022	–	–
Cash and cash equivalents	12	22,921	55,355	12,779	39,845
		70,185	74,354	53,452	58,339
Total assets		84,645	89,688	73,221	70,903
Equity					
Share capital	13	84,069	84,069	84,069	84,069
Treasury shares	13	(254)	(254)	(254)	(254)
Reserves	13	(110)	(306)	13,086	7,678
Accumulated losses		(27,615)	(26,617)	(26,711)	(25,076)
Equity attributable to owners of the Company		56,090	56,892	70,190	66,417
Liabilities					
Non-current liabilities					
Loans and borrowings	15	807	880	73	217
Deferred tax liabilities	17	493	507	–	–
		1,300	1,387	73	217
Current liabilities					
Loans and borrowings	15	11,891	13,164	199	163
Trade and other payables	16	15,360	18,189	2,759	4,106
Current tax liabilities		4	56	–	–
		27,255	31,409	2,958	4,269
Total liabilities		28,555	32,796	3,031	4,486
Total equity and liabilities		84,645	89,688	73,221	70,903

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2021

	Note	2021 S$'000	2020 S$'000
Revenue	18	203,977	135,942
Cost of sales		(196,673)	(129,651)
Gross profit		7,304	6,291
Other income		538	955
Distribution expenses		(11)	(17)
Administrative expenses		(8,546)	(10,041)
Other expenses		(273)	(10,814)
Results from operating activities		(988)	(13,626)
Finance income		221	264
Finance costs		(236)	(192)
Net finance (costs)/income	19	(15)	72
Share of (loss)/profit of equity-accounted investees (net of tax)		(6)	569
Loss before tax	20	(1,009)	(12,985)
Tax credit	21	11	121
Loss for the year		(998)	(12,864)
Loss per share	22		
Basic and diluted earnings per share (cents)		(0.97)	(12.50)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2021

	2021 S$'000	2020 S$'000
Loss for the year	(998)	(12,864)
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences of foreign operations*	152	1
Share of other comprehensive income of associate and joint venture*	44	823
Foreign currency translation differences reclassified to profit or loss on divestment of associate	–	453
Other comprehensive income for the year, net of tax	196	1,277
Total comprehensive income for the year	(802)	(11,587)

* There are no tax effects relating to these components of other comprehensive income.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2021

Group	Share capital S$'000	Treasury shares S$'000	Capital reserve S$'000	Translation reserve S$'000	Accumulated losses S$'000	Total equity S$'000
Balance as at 1 January 2020	84,069	(175)	976	(1,583)	(14,729)	68,558
Total comprehensive income for the year						
Loss for the year	–	–	–	–	(12,864)	(12,864)
Other comprehensive income						
Net change in capital reserve reclassified to accumulated losses	–	–	(976)	–	976	–
Foreign currency translation differences of foreign operations	–	–	–	1	–	1
Share of other comprehensive income of associate and joint venture	–	–	–	823	–	823
Foreign currency translation differences reclassified to profit or loss on divestment of associate	–	–	–	453	–	453
Total other comprehensive income	–	–	(976)	1,277	976	1,277
Total comprehensive income for the year	–	–	(976)	1,277	(11,888)	(11,587)
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Purchase of treasury shares	–	(79)	–	–	–	(79)
Total contributions by and distributions to owners	–	(79)	–	–	–	(79)
Total transactions with owners	–	(79)	–	–	–	(79)
Balance as at 31 December 2020	84,069	(254)	–	(306)	(26,617)	56,892

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2021

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

	Note	2021 S$'000	2020 S$'000
Cash flows from operating activities			
Loss for the year		(998)	(12,864)
Adjustments for:			
Allowance made for doubtful debts		37	209
Amortisation of intangible assets	5	114	68
Bad debts written off		4	33
Change in fair value of the contingent consideration		(75)	18
Depreciation of property, plant and equipment	4	1,931	1,316
Fair value loss of financial assets at FVTPL		232	–
Gain on disposals of property, plant and equipment		–	(16)
Write-off of property, plant and equipment		1	–
Lease liabilities payments waived		(3)	–
Gain on interest waiver		–	(5)
Impairment loss of investment in joint venture		–	1,600
Impairment loss on intangible assets		–	6,899
Loss on disposal of investment in associate		–	2,074
Net finance cost/(income)	19	15	(72)
Share of net loss/(profit) of equity-accounted investees, net of tax		6	(569)
Tax credit	21	(11)	(121)
Unrealised foreign exchange loss		1	–
		1,254	(1,430)
Changes in:			
– inventories		(180)	(413)
– trade and other receivables		(2,319)	133
– contract assets		(740)	498
– trade and other payables		(2,737)	(1,585)
Cash used in operating activities		(4,722)	(2,797)
Taxes paid		(55)	(139)
Net cash flow used in operating activities		(4,777)	(2,936)
Cash flows from investing activities			
Interest received		77	304
Dividend received from financial assets at FVTPL		153	–
Purchase of intangible asset		(16)	(324)
Purchase of property, plant and equipment		(167)	(211)
Purchase of bond funds and other investments		(25,624)	–
Proceeds from disposal of an associate		–	19,495
Proceeds from disposals of property, plant and equipment		–	16
Net cash flow (used in)/from investing activities		(25,577)	19,280
Cash flows from financing activities			
Financing from trust receipts (settled)/obtained	15	(1,547)	6,504
Interest paid	15	(201)	(200)
(Increase)/Decrease in deposits pledged		(42)	404
Payment of lease liabilities	15	(286)	(314)
Purchase of treasury shares		–	(79)
Repayment of loans and borrowings	15	(46)	(46)
Net cash flow (used in)/from financing activities		(2,122)	6,269
Net (decrease)/increase in cash and cash equivalents		(32,476)	22,613
Cash and cash equivalents at 1 January		55,235	32,660
Effects of exchange rate fluctuations on cash held		–	(38)
Cash and cash equivalents at 31 December	12	22,759	55,235

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 22 March 2022.

1 DOMICILE AND ACTIVITIES

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

The financial statements of the Group as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

The Group is primarily involved in the trading of plastics products, providing fire protection services and provision of mobile radio infrastructure services.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (Continued)

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

- Note 18 – revenue recognition: whether revenue from fire protection solutions and services relating to wireless telecommunication related infrastructure is recognised over time or at a point in time.

Measurement of fair values

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (Continued)

Measurement of fair values (Continued)

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

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

Further information about the assumptions made in measuring fair values is included in Note 24 – Financial Instruments.

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2021:

- *Covid-19-Related Rent Concessions (Amendments to SFRS(I) 16)*
- *Interest Rate Benchmark Reform – Phase 2 (Amendments to SFRS(I) 9, IAS 39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16)*

The application of these amendments to standards and interpretations did not have a material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see note ii). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

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

The Group measures goodwill at the date of acquisition as:

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(i) Business combinations (Continued)

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(ii) Written put option or forward with NCI

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

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

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

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

(iii) Subsidiaries

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

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

(iv) Loss of control

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

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

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

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

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

(vi) Transactions eliminated on consolidation

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Foreign currency

(i) Foreign currency transactions

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

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

(ii) Foreign operations

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment

(i) Recognition and measurement

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

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

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

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment (Continued)

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Leasehold properties	50 to 60 years
Leasehold improvements	3 years
Plant, machinery, tools and equipment	2 to 10 years
Furniture, fittings and equipment	3 to 10 years
Motor vehicles	3 to 6 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (Continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets: Subsequent measurement and gains and losses (Continued)

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

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

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(iii) Derecognition (Continued)

Financial liabilities

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

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

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short-term deposits and other investments with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(vi) Service concession arrangements

The Group recognises a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash from or at the direction of the grantor for the construction or upgrade services provided, and the right to receive cash depends only on the passage of time. Such financial assets are measured at fair value on initial recognition and classified as financial assets measured at amortised cost.

If the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is initially recognised at the fair value of the consideration.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(vii) Derivative financial instruments

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

(viii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.5 Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 3.1(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates and joint ventures.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

Order backlogs	28 months
Customer relationships	64 months
Software	36 months

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.7 Contract assets

A contract asset is recognised when the Group recognises revenue (see note 3.12(i)) before being unconditionally entitled to the consideration under the payment terms sat out in the contract. Contract assets are assessed for the expected credit losses (ECL) in accordance with the policy set out in note 3.9(i) and are reclassified to receivables when the right to consideration has become unconditional (see note 3.4).

3.8 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Leases (Continued)

As a lessee (Continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability are fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment

(i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised costs; and
- contract assets (as defined in SFRS(I) 15).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment (Continued)

(i) Non-derivative financial assets and contract assets (Continued)

General approach (Continued)

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

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment (Continued)

(i) Non-derivative financial assets and contract assets (Continued)

Credit-impaired financial assets (Continued)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

The allowance account in respect of trade and other receivables (excluding advances to suppliers and prepayments) is used to record impairment losses until the financial asset is considered irrecoverable. At that point, the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment (Continued)

(ii) Joint venture

An impairment loss in respect of a joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(iii) Non-financial assets

The carrying amounts of the Group's non-financial assets, inventories and contract assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment (Continued)

(iii) Non-financial assets (Continued)

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in a joint venture may be impaired.

3.10 Employee benefits

(i) Defined contribution plans

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

(ii) Short-term employee benefits

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

(iii) Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.12 Revenue

(i) Goods and services sold

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative standalone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transacting price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Revenue (Continued)

(i) Goods and services sold (Continued)

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

(ii) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

3.13 Government grants

Government grants related to co-funding of salaries and wages are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other operating income' on a systematic basis in the same periods in which the expenses are recognised.

3.14 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense; and
- dividend income.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Finance income and finance costs (Continued)

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivables is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Tax (Continued)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.16 Key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors of the Company are considered as key management personnel of the Group.

3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer ("CEO") (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Segment reporting (Continued)

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.18 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

3.19 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- SFRS(I) 17 *Insurance Contracts* and amendments to SFRS(I) 17 *Insurance Contracts*
- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to SFRS(I) 16)*
- *Reference to the Conceptual Framework (Amendments to SFRS(I) 3)*
- *Property, plant and equipment – Proceeds before Intended Use (Amendments to SFRS(I) 16)*
- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to SFRS(I) 37)*
- *Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)*
- *Annual Improvements to SFRS(I)s 2018-2020*
- *Disclosure of Accounting Policies (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)*
- *Definition of Accounting Estimate (Amendments to SFRS(I) 1-8)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to SFRS(I) 1-12)*

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties S$'000	Leasehold improvements S$'000	Plant, machinery, tools and equipment S$'000	Furniture, fittings and equipment S$'000	Motor vehicles S$'000	Office unit S$'000	Total S$'000
Group							
Cost							
At 1 January 2020	6,800	277	49,999	899	328	492	58,795
Additions	–	–	93	120	14	498	725
Disposals/write-offs	–	(25)	(146)	(85)	–	(217)	(473)
At 31 December 2020	6,800	252	49,946	934	342	773	59,047
Additions	–	25	4	77	76	300	482
Disposals/write-offs	–	–	–	(23)	–	(221)	(244)
At 31 December 2021	6,800	277	49,950	988	418	852	59,285
Accumulated depreciation and impairment losses							
At 1 January 2020	866	250	41,154	855	280	292	43,697
Depreciation	164	27	736	62	40	287	1,316
Disposals/write-offs	–	(25)	(146)	(85)	–	(217)	(473)
At 31 December 2020	1,030	252	41,744	832	320	362	44,540
Depreciation	163	8	1,395	66	26	273	1,931
Disposals/write-offs	–	–	–	(22)	–	(221)	(243)
At 31 December 2021	1,193	260	43,139	876	346	414	46,228
Carrying amounts							
At 1 January 2020	5,934	27	8,845	44	48	200	15,098
At 31 December 2020	5,770	–	8,202	102	22	411	14,507
At 31 December 2021	5,607	17	6,811	112	72	438	13,057

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Security

At 31 December 2021, leasehold properties and motor vehicles of the Group with carrying amounts of S$1,398,000 (2020: S$1,455,000) are pledged as security to secure bank loans and lease liabilities (see Note 15).

	Leasehold improvements S$'000	Furniture, fittings and equipment S$'000	Motor vehicles S$'000	Office unit S$'000	Total S$'000
Company					
Cost					
At 1 January 2020	277	565	50	271	1,163
Additions	–	91	–	498	589
Disposals/write-offs	(25)	(20)	–	(217)	(262)
At 31 December 2020	252	636	50	552	1,490
Additions	25	12	–	79	116
Disposals/write-offs	–	(11)	–	–	(11)
At 31 December 2021	277	637	50	631	1,595
Accumulated depreciation					
At 1 January 2020	250	534	50	201	1,035
Depreciation	27	49	–	195	271
Disposals/write-offs	(25)	(20)	–	(217)	(262)
At 31 December 2020	252	563	50	179	1,044
Depreciation	8	39	–	192	239
Disposals/write-offs	–	(11)	–	–	(11)
At 31 December 2021	260	591	50	371	1,272
Carrying amounts					
At 1 January 2020	27	31	–	70	128
At 31 December 2020	–	73	–	373	446
At 31 December 2021	17	46	–	260	323

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

5 INTANGIBLE ASSETS

	Goodwill S$'000	Order backlogs S$'000	Customer relationships S$'000	Software S$'000	Total S$'000
Group					
Cost					
At 1 January 2020	6,899	518	411	–	7,828
Addition	–	–	–	324	324
At 31 December 2020	6,899	518	411	324	8,152
Addition	–	–	–	16	16
At 31 December 2021	6,899	518	411	340	8,168
Accumulated amortisation and impairment losses					
At 1 January 2020	–	518	411	–	929
Amortisation	–	–	–	68	68
Impairment loss	6,899	–	–	–	6,899
At 31 December 2020	6,899	518	411	68	7,896
Amortisation for the year	–	–	–	114	114
At 31 December 2021	6,899	518	411	182	8,010
Carrying amounts					
At 1 January 2020	6,899	–	–	–	6,899
At 31 December 2020	–	–	–	256	256
At 31 December 2021	–	–	–	158	158

	Software S$'000
Company	
Cost	
At 1 January 2020	–
Addition	324
At 31 December 2020	324
Addition	16
At 31 December 2021	340
Accumulated amortisation	
At 1 January 2020	–
Amortisation	68
At 1 January 2020 and 31 December 2020	68
Amortisation	114
At 31 December 2021	182

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

5 INTANGIBLE ASSETS (CONTINUED)

	Software S$'000
Company	
Carrying amounts	
At 1 January 2020	–
At 31 December 2020	256
At 31 December 2021	158

Amortisation of software

The amortisation of software is included in administrative expenses.

Impairment testing for goodwill

For the purpose of impairment testing, goodwill has been allocated to the Group's CGU (operating division) as follows:

	2020 S$'000
K.A. Group	6,899

K.A. Group

The recoverable amount of the CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The recoverable amount of the CGU of S$10,610,000 was lower than the carrying amount. Consequently, the Group recognised full impairment loss of S$6,899,000 for the goodwill in the financial year ended 2020.

Key assumptions used in the estimation of recoverable amount of the CGU as at 31 December were as follows:

	2020 %
Revenue growth rate	0.0 to 69.0^
Terminal growth rate	0.0
Discount rate	8.3
EBIT margin (average of next five years)	11.2

^ Higher revenue growth rate due to lower revenue achieved in FY2020 as a result of COVID-19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

5 INTANGIBLE ASSETS (CONTINUED)

K.A. Group (Continued)

The cash flow projections included specific estimates for 5 years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimates of the long-term annual EBIT growth rate in perpetuity, consistent with the assumptions that a market participant would make. As a result, the terminal growth rate was estimated to be 0%.

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

The EBIT margin was estimated taking into account past experience, adjusted for management's assessment of future trends of the construction industry and anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated revenue growth for the next five years.

Following the impairment loss of S$6,899,000 recognised in the financial year ended 31 December 2020, the recoverable amount of the CGU was equal to its carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

6 SUBSIDIARIES

	Company	
	2021 S$'000	2020 S$'000
Equity investments at FVOCI	16,720	11,312
Non-current loan to a subsidiary	2,018	–
	18,738	11,312

Details of subsidiaries are set out in Note 27.

The Company designated its subsidiaries as equity investments as at FVOCI. The carrying amounts of the equity investments were determined based on value in use, determined by discounting the future cash flows to be generated. The non-current loan to subsidiary is unsecured, bears interest at 1.15% per annum, has no fixed terms of repayment and is not repayable within the next 12 months from reporting date.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

7 JOINT VENTURE

	Group		Company	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Interest in joint venture	2,209	2,171	2,516	2,516
Less: Impairment losses	(1,600)	(1,600)	(1,966)	(1,966)
	609	571	550	550

KPMG LLP is the auditor of the Singapore-incorporated joint venture.

The joint venture, Tat Hong Intraco Pte Ltd and its subsidiaries is an unlisted joint arrangement in which the Group has joint control via investors' agreement and 40% (2020: 40%) ownership interest. It was incorporated in Singapore by the Group, Tat Hong Holdings Ltd and Aung Moe Kyaw, and principally engaged in the leasing and sales of cranes and other heavy equipment in Myanmar.

Tat Hong Intraco Pte Ltd and its subsidiaries is structured as a separate vehicle and the Group has a residual interest in its net assets. Accordingly, the Group has classified its interest in Tat Hong Intraco Pte Ltd and its subsidiaries as a joint venture, which is accounted for using the equity method of accounting.

The following table summarises the financial information of the joint venture, based on its financial statements prepared in accordance with SFRS(I).

	2021 S$'000	2020 S$'000
Revenue	159	582
(Loss)/Profit from continuing operations	(15)	(2,710)
OCI	–	–
Total comprehensive income	(15)	(2,710)
Non-current assets	361	949
Current assets[1]	2,454	1,798
Current liabilities	(53)	(22)
Net assets	2,762	2,725

1 Includes cash and cash equivalents of S$2,385,000 (2020: S$1,619,000).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

7 JOINT VENTURE (CONTINUED)

	2021 S$'000	2020 S$'000
Group's interest in net assets of joint venture at beginning of the year	571	2,195
Group's share of (loss)/profit from continuing operations	(6)	23
	565	2,218
Translation difference	44	(47)
Impairment loss	–	(1,600)
Carrying amount of interest in joint venture at end of the year	609	571

Construction activities in Myanmar had come to a standstill due to the political instability and the COVID-19 pandemic. With the standstill in construction projects, the joint venture had decided to wind down its leasing business. Following the wind-down of the joint venture business, the Group had determined the recoverable amount of the joint venture using the fair value less costs to sell approach, taking into consideration the fair values of the underlying assets and liabilities of the joint venture. No impairment was recognised.

In the financial year ended 31 December 2020, the recoverable amount for the joint venture was estimated based on the value in use calculation which was derived using cash flow projections based on the most recent budgets and forecasts approved by management covering 14 years. Cash flows for these periods were prepared using the estimated growth rate of 5.2% which reflects management's expectation of the growth rate of the business segment in Myanmar after taking into account the growth levels experienced over the past 2 years. The discount rate of 12.15% applied is the weighted average cost of capital of other market participants in the industry. The recoverable amount was lower than the carrying amount. Consequently, the Group recognised an impairment loss of S$1,600,000 in the financial year ended 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

8 OTHER INVESTMENTS

	Group		Company	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Non-current investment				
Financial assets at FVTPL	636	–	–	–
Current investment				
Financial assets at FVTPL	24,731	–	24,731	–

Financial assets designated as at FVTPL comprise the following:

	Group		Company	
	Fair value at 31 December 2021 S$'000	Dividend income recognised 2021 S$'000	Fair value at 31 December 2021 S$'000	Dividend income recognised 2021 S$'000
Chongqing Liangjiang Sino-Singapore Fintech RMB Equity Investment Fund	636	–	–	–
United SGD Money Market Fund – Class B SGD	5,007	90	5,007	90
United SGD Fund Class A Dist SGD	4,889	–	4,889	–
Lion Global Short Duration BD A Dis	4,945	63	4,945	63
Fullerton Short Term Interest Rate Fund – Class C (SGD)	4,973	–	4,973	–
Fidelity Enhanced Res A ACC H SGD	4,917	–	4,917	–
	25,367	153	24,731	153

The Group's and the Company's exposure to credit and market risks in relation to above funds, and fair value measurement are disclosed in Note 24.

9 INVENTORIES

	Group		Company	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Trading goods	107	71	–	–
Raw materials	1,338	1,451	–	–
Goods in transit	257	–	–	–
	1,702	1,522	–	–

In 2021, inventories of S$191,343,000 (2020: S$125,137,000) were recognised as an expense during the period and included in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

10 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Trade receivables	19,811	20,260	–	–
Impairment losses	(6,586)	(6,609)	–	–
Net trade receivables	13,225	13,651	–	–
Deposits	234	392	75	75
Amounts due from subsidiaries (non-trade)	–	–	19,444	21,928
Impairment losses	–	–	(3,626)	(3,559)
Net amounts due from subsidiaries	–	–	15,818	18,369
Other receivables	26	111	1	13
Interest receivables	15	24	7	18
	13,500	14,178	15,901	18,475
Advances to suppliers	4,365	1,182	–	–
Prepayments	204	95	41	19
	18,069	15,455	15,942	18,494

At 31 December 2021, trade receivables for the Group include retention receivables of S$1,398,000 (2020: S$1,755,000) from customers.

Amounts due from subsidiaries

The amounts owing by subsidiaries represent unsecured advances given and payment on behalf of subsidiaries. The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Credit and market risk, and impairment losses

The Group's and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables (excluding prepayments) are disclosed in Note 24.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

11 CONTRACT ASSETS

	Group		Company	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Contract assets	2,762	2,022	–	–

The contract assets relate primarily to the Group's right to consideration for work completed but not billed at the reporting date in respect of its fire protection business. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

At 31 December 2021, the aggregated amount of costs incurred and recognised profits (less recognised losses) to date under open construction contracts amounted to S$34,392,000 (2020: S$29,860,000) for the Group. Progress billings and advances received from customers under open construction contracts amounted to S$31,630,000 (2020: S$27,838,000) for the Group.

Significant judgement is used to estimate these total contract costs to be incurred to fulfil the contract and cost incurred to-date. In making these estimates, management has relied on past experience of completed projects and quantity surveyors' reports to collaborate the progress of the construction.

12 CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Cash at banks and in hand	12,022	14,989	3,279	717
Fixed deposits with banks	8,899	40,366	7,500	39,128
Commercial paper	2,000	–	2,000	–
Cash and cash equivalents in the statements of financial position	22,921	55,355	12,779	39,845
Deposits pledged	(162)	(120)	–	–
Cash and cash equivalents in the statement of cash flows	22,759	55,235	12,779	39,845

Deposits pledged represent bank balances of certain subsidiaries pledged as security for issuance of letters of credit.

The commercial paper is readily convertible to known amount of cash and has a maturity of three months or less and is subject to an insignificant risk of changes in value.

The weighted average effective interest rates per annum relating to fixed deposits with banks and commercial paper at the reporting date for the Group and Company are 0.9% (2020: 0.33%) and 0.71% (2020: 0.27%) respectively. Interest rates reprice at intervals of one to three months.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

13 CAPITAL AND RESERVES

Share capital	Company 2021 Number of shares	Company 2020 Number of shares
Fully paid ordinary shares, with no par value:		
In issue on 1 January and 31 December	103,725,879	103,725,879

No share options had been granted under the Intraco Employee Share Option Scheme which was approved at an Extraordinary General Meeting held on 29 April 2013. In this respect, the Company does not have outstanding convertibles as at 31 December 2021 and 2020.

Ordinary shares

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Treasury shares

	Company 2021 S$'000	Company 2020 S$'000
Balance 1 January	(254)	(175)
Purchase of treasury shares	–	(79)
Balance 31 December	(254)	(254)

Treasury shares relate to ordinary shares of the Company that are held by the Company. As at 31 December 2021, the Company held 909,000 treasury shares (31 December 2020: 909,000).

Reserves

The reserves of the Group and the Company comprise the following balances:

	Group 2021 S$'000	Group 2020 S$'000	Company 2021 S$'000	Company 2020 S$'000
Translation reserve	(110)	(306)	–	–
Fair value reserve	–	–	13,086	7,678
	(110)	(306)	13,086	7,678

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

13 CAPITAL AND RESERVES (CONTINUED)

Translation reserve

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI.

14 EMPLOYEE SHARE OPTIONS

Intraco Employee Share Option Scheme (the 2013 Scheme)

The 2013 Scheme of the Company was approved and adopted by its shareholders at an Extraordinary General Meeting held on 29 April 2013.

Information regarding the 2013 Scheme is set out below:

- The maximum number of shares issued or to be issued for options under the 2013 Scheme is 15% of the issued share capital of the Company.
- Options may be granted at the average of the closing price of the Company's shares on the SGX-ST for the 3 consecutive trading days immediately preceding the date of grant (Market Price) or at a price of up to 20% discount of the Market Price.
- Under the 2013 Scheme, a non-discounted option vests 1 year after the date of the grant and a discounted option vests 2 years after the date of grant.
- Options granted to non-executive directors of the Group, and employees and directors of Associated Companies as defined under the 2013 Scheme, will have a life span of 5 years or such earlier date as may be determined by the Remuneration Committee. Options granted to employees and executive directors of the Group will have a life span of 10 years or such earlier date as may be determined by the Remuneration Committee.

There were no options granted since commencement of the 2013 Scheme till the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

15 LOANS AND BORROWINGS

	Group		Company	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Non-current liabilities				
Secured bank loans	602	648	–	–
Lease liabilities	205	232	73	217
	807	880	73	217
Current liabilities				
Secured bank loans	47	47	–	–
Lease liabilities	275	222	199	163
Trust receipts	11,569	12,895	–	–
	11,891	13,164	199	163

Market and liquidity risks

Information about the Group's and the Company's exposure to interest rate, foreign currency and liquidity risk is included in Note 24.

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

			Group	
	Nominal interest rate	Year of maturity	Face value S$'000	Carrying amount S$'000
31 December 2021				
SGD secured bank loans	3.24%	2032-2033	649	649
SGD lease liabilities	5.25%	2023-2026	505	480
USD trust receipts	1.05% – 1.13%	2022	11,569	11,569
			12,723	12,698
31 December 2020				
SGD secured bank loans	3.21%	2032-2033	695	695
SGD lease liabilities	1.70% – 5.25%	2021-2023	466	454
USD trust receipts	0.90% – 1.16%	2021	12,895	12,895
			14,056	14,044

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

15 LOANS AND BORROWINGS (CONTINUED)

Terms and debt repayment schedule (Continued)

			Company	
	Nominal interest rate	Year of maturity	Face value S$'000	Carrying amount S$'000
31 December 2021				
SGD lease liabilities	5.25%	2023	280	272
31 December 2020				
SGD lease liabilities	5.25%	2023	402	380

The bank loans and lease liabilities of the Group are secured over the leasehold properties and motor vehicles of the Group with carrying amounts of S$1,398,000 (2020: S$1,455,000) (see Note 4).

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities		
	Other loans and borrowings S$'000	Lease liabilities S$'000	Total S$'000
Balance at 1 January 2020	7,381	257	7,638
Changes from financing cash flows			
Financing from trust receipts obtained	6,504	–	6,504
Repayment of bank loans	(46)	–	(46)
Payment of lease liabilities	–	(314)	(314)
Interest paid	(176)	(24)	(200)
Total changes from financing cash flows	6,282	(338)	5,944
The effect of changes in foreign exchange rates	(248)	–	(248)
Other changes			
Liability-related			
New lease liabilities	–	514	514
Lease liabilities payments waived	–	(4)	(4)
Interest payable	8	–	8
Interest expense	167	25	192
Total liability-related other changes	175	535	710
Balance at 31 December 2020	13,590	454	14,044

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

15 LOANS AND BORROWINGS (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities (Continued)

	Liabilities		
	Other loans and borrowings S$'000	Lease liabilities S$'000	Total S$'000
Balance at 1 January 2021	13,590	454	14,044
Changes from financing cash flows			
Financing from trust receipts settled	(1,547)	–	(1,547)
Repayment of bank loans	(46)	–	(46)
Payment of lease liabilities	–	(286)	(286)
Interest paid	(174)	(27)	(201)
Total changes from financing cash flows	(1,767)	(313)	(2,080)
The effect of changes in foreign exchange rates	221	–	221
Other changes			
Liability-related			
New lease liabilities	–	315	315
Lease liabilities payments waived	–	(3)	(3)
Interest expense	174	27	201
Total liability-related other changes	174	339	513
Balance at 31 December 2021	12,218	480	12,698

16 TRADE AND OTHER PAYABLES

	Group		Company	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Current				
Trade payables	3,724	4,983	–	–
Advances from customers	7,336	8,140	–	–
Accrued expenses	1,837	2,441	839	1,438
Amounts due to subsidiaries (non-trade)	–	–	1,872	2,585
Interest payable	4	4	–	–
Other payables	203	290	48	83
Contingent consideration	2,256	2,331	–	–
	15,360	18,189	2,759	4,106

The amounts due to subsidiaries related to advances from subsidiaries. The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

16 TRADE AND OTHER PAYABLES (CONTINUED)

Contingent consideration pertains to the put option granted by the Group to the selling shareholder of K.A. Group in connection with the Company's acquisition of the remaining 10% equity interest in K.A. Group. The contingent consideration was measured at the present value of the exercise price for the remaining 10% equity interest. The exercise price is estimated based on the revalued net tangible assets as at the reporting date. The option for the remaining 10% equity interest in K.A. Group is exercisable by either party at any point in the future.

Market and liquidity risks

The Group and the Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 24.

17 DEFERRED TAX LIABILITIES

Movement in deferred tax liabilities during the year are as follows:

	Group	
	2021 S$'000	2020 S$'000
Property, plant and equipment:		
Balance as at 1 January	507	538
Recognised in profit or loss (Note 21)	(14)	(31)
Balance as at 31 December	493	507

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Deductible temporary differences	9,606	9,576	717	717
Tax losses	29,028	27,974	10,796	9,117
	38,634	37,550	11,513	9,834

The tax losses are subject to agreement by the tax authorities. Tax losses and deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

18 REVENUE

	Group	
	2021 S$'000	2020 S$'000
Trading sales	193,461	126,759
Revenue from construction contracts	7,184	6,207
Service income	1,984	2,293
Rental income	1,348	683
	203,977	135,942

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Trading sales

Nature of goods or services	The trading segment of the Group principally generates revenue from trading plastic products and sales of construction products and raw materials.
When revenue is recognised	Revenue is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied.
Significant payment terms	Invoices are issued to the customers when the goods are delivered. Payment for these goods is due within 30 to 60 days.

Construction contracts

Nature of goods or services	The fire protection segment of the Group manufactures and installs products for its customers. These products are constructed based on specifically negotiated contracts with customers.
When revenue is recognised	The Group has assessed that these construction contracts qualify for over time revenue recognition as the fire protection products have no alternative use for the Group due to contractual restrictions, and the Group generally has enforceable rights to payment for performance completed till date. The stage of completion is assessed by reference to the contract costs incurred till date in proportion to the total estimated contract costs of each contract.
Significant payment terms	Progress billings to the customer are based on a payment schedule in the contract that is dependent on the achievement of specified construction milestones. If the value of the construction services rendered exceeds payments received from the customer, a contract asset is recognised.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

18 REVENUE (CONTINUED)

Service income

Nature of goods or services	The Group generates revenue from the provision of radio coverage system management, operation and mobile service and supply of communication equipment to other service providers.
When revenue is recognised	Revenue is recognised when the relevant services are rendered.
Significant payment terms	Billings to the customer are based on a schedule in the contract that is dependent on the achievement of specified service milestones.

19 NET FINANCE (COSTS)/INCOME

	Group	
	2021 S$'000	2020 S$'000
Interest income under the effective interest method on:		
– cash and cash equivalents	68	264
Dividend income from financial assets at FVTPL	153	–
Finance income	221	264
Financial liabilities measured at amortised cost – interest expense on:		
– secured bank loans	(22)	(20)
– unsecured bank loans and trust receipts	(152)	(147)
– lease liabilities	(27)	(25)
Upfront fee and management fee	(35)	–
Finance costs	(236)	(192)
Net finance (costs)/income recognised in profit or loss	(15)	72

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

20 LOSS BEFORE TAX

The following items have been included in arriving at loss before tax:

	Group	
	2021 S$'000	2020 S$'000
Government grants	(486)	(905)
Gain on disposals of property, plant and equipment	–	(16)
Write-off of property, plant and equipment	1	–
Lease liabilities payments waived	(3)	–
Gain on interest waiver	–	(5)
Allowance for doubtful debts	37	209
Bad debts written off	4	33
Fair value loss of financial assets at FVTPL	232	–
Foreign exchange gain	(42)	(10)
Impairment loss on intangible assets#	–	6,899
Impairment loss on investment in joint venture#	–	1,600
Loss on disposal of investment in associate#	–	2,074
Audit fees paid to:		
– auditors of the Company	237	237
– other auditors	2	4
Non-audit fees paid to:		
– auditors of the Company	38	50
Cost of inventories recognised in cost of sales	191,343	125,137
Depreciation of property, plant and equipment	1,931	1,316
Amortisation of intangible assets	114	68
Change in fair value of contingent consideration	(75)	18
Employee benefits expense		
Salaries, bonuses and other costs	5,455	5,273
Contributions to defined contribution plans	425	452
	5,880	5,725

Included in other expenses in the consolidated statement of profit or loss.

The Group has been awarded certain government grants. The grant income recognised in other operating income was S$486,000 (2020: S$905,000) and relates mainly to the Jobs Support Scheme and Foreign Worker Levy Rebates. The corresponding expenses are recognised in staff costs. The Group recognised grant receivables of approximately S$Nil (2020: S$88,000) in trade and other receivables and deferred income of S$Nil (2020: S$130,000) in trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

21 TAX CREDIT

	Group 2021 S$'000	Group 2020 S$'000
Tax recognised in profit or loss		
Current tax expense		
Current year	1	24
Under/(Over) provided in prior years	2	(114)
	3	(90)
Deferred tax expense		
Origination and reversal of temporary differences	(14)	(31)
Tax credit	(11)	(121)
Reconciliation of effective tax rate		
Loss before tax	(1,009)	(12,985)
Tax using the Singapore tax rate of 17% (2020: 17%)	(172)	(2,207)
Effect of tax rates in foreign jurisdiction	(3)	(34)
Tax-exempt income	(45)	(147)
Non-deductible expenses	22	2,208
Effects of results of equity-accounted investees presented net of tax	1	(97)
Change in unrecognised temporary differences	184	270
Under/(Over) provided in prior years	2	(114)
	(11)	(121)

22 LOSS PER SHARE

The basic loss per share was calculated using the following data:

	2021 S$'000	2020 S$'000
Loss attributable to ordinary shareholders	(998)	(12,864)

	2021 Number of shares	2020 Number of shares
Weighted average number of ordinary shares	102,816,879	102,902,153

There were no dilutive potential ordinary shares in issue during the year.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

23 OPERATING SEGMENTS

The Group has the following two strategic business units which are its reportable segments, as described below. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's CEO (the chief operating decision maker) reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- *Fire Protection* — Manufacturing, sales and installation of passive fire protection products.
- *Trading and others* — Trading in industrial materials which include plastics and petrochemicals, provision of commercial wireless services and investment holding.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Geographical information

The Group's business is managed primarily in Singapore, Vietnam, Indonesia and others.

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

Operating segments

	Fire protection S$'000	Trading and others S$'000	Total S$'000
31 December 2021			
External revenue	7,515	196,462	203,977
Interest expense	(30)	(152)	(182)
Depreciation and amortisation	(337)	(1,384)	(1,721)
Reportable segment (loss)/profit before tax	(453)	1,147	694
Reportable segment assets	15,743	27,726	43,469
Reportable segment liabilities	2,898	22,218	25,116

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

23 OPERATING SEGMENTS (CONTINUED)

Operating segments (Continued)

	Fire protection S$'000	Trading and others S$'000	Total S$'000
31 December 2021			
Other non-cash items:			
Allowance for doubtful debts	(37)	–	(37)
Bad debts written off	(4)	–	(4)
Foreign exchange loss	(2)	79	77
Write-off of property, plant and equipment	(1)	–	(1)
Lease liabilities payments waived	3	–	3
Under provision of tax in prior years	(2)	–	(2)
Capital expenditure	(360)	(7)	(367)
31 December 2020			
External revenue	6,425	129,517	135,942
Interest expense	(27)	(147)	(174)
Depreciation and amortisation	(358)	(718)	(1,076)
Reportable segment (loss)/profit before tax	(7,533)	88	(7,445)
Reportable segment assets	16,271	29,775	46,046
Reportable segment liabilities	3,310	25,201	28,511
Other non-cash items:			
Allowance for doubtful debts	(209)	–	(209)
Bad debts written off	(33)	–	(33)
Foreign exchange loss	(14)	(59)	(73)
Gain on disposal of property, plant and equipment	16	–	16
Gain on interest waiver	5	–	5
Impairment loss on intangible assets	(6,899)	–	(6,899)
Over provision of tax in prior years	114	–	114
Capital expenditure	(69)	(67)	(136)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

23 OPERATING SEGMENTS (CONTINUED)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2021 S$'000	2020 S$'000
Revenue		
Total revenue for reporting segments and consolidated revenue	203,977	135,942
Profit or loss		
Total profit/(loss) for reportable segments	694	(7,445)
Unallocated amounts:		
– Other corporate expenses, net of income	(1,697)	(6,109)
Share of profit of equity-accounted investees, net of tax	(6)	569
Consolidated loss before tax	(1,009)	(12,985)
Assets		
Total assets for reportable segments	43,469	46,046
Other unallocated amounts	40,567	43,071
	84,036	89,117
Investments in equity-accounted investees	609	571
Consolidated total assets	84,645	89,688
Liabilities		
Total liabilities for reportable segments	25,116	28,511
Other unallocated amounts	3,439	4,285
Consolidated total liabilities	28,555	32,796

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

23 OPERATING SEGMENTS (CONTINUED)

Other non-cash items

	Reportable segments S$'000	Adjustments S$'000	Total S$'000
31 December 2021			
Interest income	–	68	68
Interest expense	(182)	(54)	(236)
Depreciation and amortisation	(1,721)	(324)	(2,045)
Allowance for doubtful debts	(37)	–	(37)
Bad debts written off	(4)	–	(4)
Change in fair value of contingent consideration	–	75	75
Foreign exchange gain/(loss)	77	(35)	42
Write-off of property, plant and equipment	(1)	–	(1)
Lease liabilities payments waived	3	–	3
Under provision of tax in prior years	(2)	–	(2)
Capital expenditure	(367)	(115)	(482)
31 December 2020			
Interest income	–	264	264
Interest expense	(174)	(18)	(192)
Depreciation and amortisation	(1,076)	(308)	(1,384)
Allowance for doubtful debts	(209)	–	(209)
Bad debts written off	(33)	–	(33)
Change in fair value of contingent consideration	–	(18)	(18)
Foreign exchange (loss)/gain	(73)	83	10
Gain on disposal of property, plant and equipment	16	–	16
Gain on interest waiver	5	–	5
Impairment loss on investment in joint venture	–	(1,600)	(1,600)
Impairment loss on intangible assets	(6,899)	–	(6,899)
Loss on disposal of investment in associate	–	(2,074)	(2,074)
Over provision of tax in prior years	114	–	114
Capital expenditure	(136)	(589)	(725)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

23 OPERATING SEGMENTS (CONTINUED)

Geographical information

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

	2021 S$'000	2020 S$'000
Revenue		
Singapore	38,611	32,227
Vietnam	126,314	76,697
Indonesia	16,964	13,407
Malaysia	10,084	7,780
Others	12,004	5,831
Consolidated revenue	203,977	135,942
Non-current assets*		
Singapore	13,001	14,504
Vietnam	56	3
	13,057	14,507

* Non-current assets presented consist of property, plant and equipment.

Major customer

Revenue from one customer of the Group's Trading and others segment represents approximately S$36,078,000 (2020: S$23,120,000) of the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, and policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board ensures that Management maintains a sound system of internal controls and effective risk management policies to safeguard shareholders' interests and the Group's assets and in this regard, is assisted by the Audit Committee which conducts the reviews of the adequacy and effectiveness of the Group's internal controls and risk management systems.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's maximum exposure to credit risk, before taking into account any collateral. The Group and the Company do not hold any collateral in respect of their financial assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk associated with the industry and country in which customers operate, as these factors may have an influence on credit risk. Details of concentration of revenue are included in Note 23.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information, and in some cases bank references. These limits are reviewed on an ongoing basis. Customers failing to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment/cash basis.

The Group limits its exposure to credit risk from trade receivables by establishing maximum payment periods of one and three months for individual and corporate customers respectively.

The Group does not require collateral in respect of trade receivables. The Group does not have trade receivables and contract assets for which loss allowance is recognised because of collateral.

Exposure to credit risk

Trade and other receivables and contract assets

The Group's primary exposure to credit risk arises through its trade and other receivables* and contract assets. Concentration of credit risk relating to trade and other receivables* and contract assets is limited due to the Group's many varied customers. These customers are regionally dispersed. Other than the allowance of S$37,000 (2020: S$209,000) made in relation to the trade receivables of the Fire Protection Segment in view of the challenging conditions faced by the construction industry, the Group's historical experience in the collections of trade and other receivables* in other segment falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond the amounts provided for collection is inherent in the Group and the Company's trade and other receivables* and contract assets.

The exposure to credit risk for trade and other receivables* and contract assets at the reporting date (by operating segments) was:

	Group		Company	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Fire protection	6,158	5,676	–	–
Trading and others	10,104	10,524	15,901	18,475
	16,262	16,200	15,901	18,475

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

Exposure to credit risk (Continued)

Trade and other receivables and contract assets (Continued)

The Group's most significant customer, a trading customer, accounts for S$5,486,000 (2020: S$1,473,000) of the trade and other receivables* as at 31 December 2021. There is no concentration of customer risk at the Company level. The Company held receivables from its subsidiaries amounting to S$19,444,000 as at 31 December 2021 (2020: S$21,928,000). Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is negligible.

The ageing of the Group's and Company's trade and other receivables* and summary of exposure to credit risk at the reporting date was as follows:

	Not credit-impaired	Credit-impaired	Not credit-impaired	Credit-impaired
	2021 S$'000	2021 S$'000	2020 S$'000	2020 S$'000
Group				
Not past due	5,581	–	7,652	–
Past due 0 – 30 days	6,974	–	4,627	–
Past due 31 – 120 days	844	–	1,078	–
More than 120 days	101	6,586	945	6,485
	13,500	6,586	14,302	6,485
Loss allowance	–	(6,586)	(124)	(6,485)
	13,500	–	14,178	–
Company				
Not past due	83	–	220	–
Past due 0 – 30 days	145	–	–	–
Past due 31 – 120 days	60	–	–	–
More than 120 days	15,613	3,626	18,255	3,559
	15,901	3,626	18,475	3,559
Loss allowance	–	(3,626)	–	(3,559)
	15,901	–	18,475	–

* Exclude advances to suppliers and prepayments.

No aging analysis of contract assets is presented as the majority of outstanding balances as at 31 December is current.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

Exposure to credit risk (Continued)

Trade and other receivables and contract assets (Continued)

The credit quality of trade and other receivables* is assessed based on credit policies established by the management. The Group monitors customer credit risk by grouping trade and other receivables based on their characteristics. Trade and other receivables* with high credit risk will be identified and monitored by the respective strategic business units. The Group assesses that no allowance for impairment loss on trade and other receivables* and contract assets is required, except for the amounts for which allowance were made for trade receivables from construction sector due to slow down in the sector caused by the COVID-19 pandemic. The movement in impairment loss in respect of trade and other receivables during the year was as follows:

	Group		Company	
Lifetime ECL	**2021 S$'000**	**2020 S$'000**	**2021 S$'000**	**2020 S$'000**
At 1 January	6,609	6,340	3,559	3,627
Allowance made for doubtful receivables	37	209	–	–
Effects of movements in exchange rates	(60)	60	67	(68)
At 31 December	6,586	6,609	3,626	3,559

Based on the Group's monitoring of credit risk, the Group believes that apart from the above, no additional allowance is necessary.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of S$22,921,000 and S$12,779,000 (2020: S$55,355,000 and S$39,845,000) respectively as at 31 December 2021 and these amounts represent their maximum credit exposures on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated Ba3 to Aa1, based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amounts S$'000	Contractual cash flows S$'000	Within 1 year S$'000	Within 2-5 years S$'000	More than 5 years S$'000
Group					
31 December 2021					
Non-derivative financial liabilities					
Secured bank loans	649	(779)	(67)	(270)	(442)
Lease liabilities	480	(505)	(293)	(210)	(2)
Trust receipts	11,569	(11,580)	(11,580)	–	–
Trade and other payables*	8,024	(8,024)	(8,024)	–	–
	20,722	(20,888)	(19,964)	(480)	(444)
31 December 2020					
Non-derivative financial liabilities					
Secured bank loans	695	(846)	(67)	(269)	(510)
Lease liabilities	454	(480)	(240)	(240)	–
Trust receipts	12,895	(12,907)	(12,907)	–	–
Trade and other payables*	10,049	(10,049)	(10,049)	–	–
	24,093	(24,282)	(23,263)	(509)	(510)

* Exclude advances from customers.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (Continued)

Risk management policy (Continued)

	Carrying amounts S$'000	Contractual cash flows S$'000	Within 1 year S$'000	Within 2-5 years S$'000	More than 5 years S$'000
Company					
31 December 2021					
Non-derivative financial liabilities					
Lease liabilities	272	(280)	(207)	(73)	–
Trade and other payables*	2,759	(2,759)	(2,759)	–	–
	3,031	(3,039)	(2,966)	(73)	–
31 December 2020					
Non-derivative financial liabilities					
Lease liabilities	380	(402)	(178)	(224)	–
Trade and other payables*	4,106	(4,106)	(4,106)	–	–
	4,486	(4,508)	(4,284)	(224)	–

* Exclude advances from customers.

The maturity analyses show the undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group's exposure to changes in interest relates primarily to the Group's interest-earning financial assets and interest-bearing financial liabilities. Interest rate is managed by the Group on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

The Group adopts a policy of constantly monitoring movements in interest rates. Presently the Group does not use derivative financial instruments to hedge its interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (Continued)

Interest rate risk (Continued)

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	Group Nominal amount		Company Nominal amount	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Fixed rate instruments				
Financial assets	10,899	40,366	9,500	39,128
Financial liabilities	(12,049)	(13,349)	(272)	(380)
	(1,150)	27,017	9,228	38,748
Variable rate instrument				
Financial liabilities	(649)	(695)	–	–

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the reporting date would have increased/(decreased) loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

	Group		Company	
	100 bp increase S$'000	100 bp decrease S$'000	100 bp increase S$'000	100 bp decrease S$'000
31 December 2021				
Variable rate instruments	(6)	6	–	–
31 December 2020				
Variable rate instruments	(7)	7	–	–

Other market price risk

Market price risk arises from financial assets measured at FVTPL. The primary goal of the Group's investment strategy is to maximise investment returns, in general. Management is assisted by external advisors in this regard. Investments are designated as at FVTPL because their performance is actively monitored and they are managed on a fair value basis.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL INSTRUMENTS (CONTINUED)

Other market price risk (Continued)

A change of 1% in prices for other investments at the reporting date would have (decreased)/increased the Group's and the Company's loss before tax by the amounts shown below. This analysis assumes that all variables remain constant.

	2021 Group Loss before tax S$'000	2021 Company Loss before tax S$'000
Other investments		
– price increase	(254)	(247)
– price decrease	254	247

Currency risk

Risk management policy

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk is primarily the US dollar.

There is no formal hedging policy with respect to foreign exchange exposure. Exposure to currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

Exposure to currency risk

The Group and Company's exposures to foreign currency risk based on notional amounts were as follows:

	Group		Company	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
US dollar				
Cash and cash equivalents	189	91	35	79
Amount due to a subsidiary	–	–	(53)	(474)
Net statement of financial position exposure	189	91	(18)	(395)
Singapore dollar				
Trade receivables	441	484	–	–
Cash and cash equivalents	602	833	–	–
Loans and borrowings	(2,018)	(2,018)	–	–
Trade and other payables	(351)	(295)	–	–
Net statement of financial position exposure	(1,326)	(996)	–	–

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL INSTRUMENTS (CONTINUED)

Currency risk (Continued)

Exposure to currency risk (Continued)

Sensitivity analysis

A weakening of 10% (2020: 10%) in the relevant foreign currency against the functional currency of each of the Group entities at 31 December would have increased profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2020.

	Group		Company	
	2021 Profit or loss S$'000	2020 Profit or loss S$'000	2021 Profit or loss S$'000	2020 Profit or loss S$'000
US dollar	(19)	(9)	2	40
Singapore dollar	133	100	–	–

A 10% (2020: 10%) strengthening of the above currency against the functional currency of each of the Group entities at 31 December would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values

Fair values versus carrying amounts

The carrying amounts and fair values of financial assets and financial liabilities, including the levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount				Fair value			
	Note	Amortised costs S$'000	FVTPL S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group									
31 December 2021									
Financial assets measured at fair value									
Other investments	8	–	25,367	–	25,367	–	24,731	636	25,367
Financial assets not measured at fair value									
Trade and other receivables*	10	13,500	–	–	13,500				
Cash and cash equivalents	12	22,921	–	–	22,921				
		36,421	–	–	36,421				
Financial liabilities measured at fair value									
Contingent consideration	16	–	–	(2,256)	(2,256)	–	–	(2,256)	(2,256)
Financial liabilities not measured at fair value									
Secured bank loans	15	–	–	(649)	(649)				
Lease liabilities	15	–	–	(480)	(480)				
Trust receipts	15	–	–	(11,569)	(11,569)				
Trade and other payables**	16	–	–	(5,768)	(5,768)				
		–	–	(18,466)	(18,466)				

* Exclude prepayments and advances to suppliers.

** Exclude advances from customers and contingent considerations.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (Continued)

Fair values versus carrying amounts (Continued)

		Carrying amount			Fair value			
	Note	Amortised costs S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group								
31 December 2020								
Financial assets not measured at fair value								
Trade and other receivables*	10	14,178	–	14,178				
Cash and cash equivalents	12	55,355	–	55,355				
		69,533	–	69,533				
Financial liabilities measured at fair value								
Contingent consideration	16	–	(2,331)	(2,331)	–	–	(2,331)	(2,331)
Financial liabilities not measured at fair value								
Secured bank loans	15	–	(695)	(695)				
Lease liabilities	15	–	(454)	(454)				
Trust receipts	15	–	(12,895)	(12,895)				
Trade and other payables**	16	–	(7,718)	(7,718)				
		–	(21,762)	(21,762)				

* Exclude prepayments and advances to suppliers.

** Exclude advances from customers and contingent considerations.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (Continued)

Fair values versus carrying amounts (Continued)

		Carrying amount					Fair value			
	Note	Amortised costs S$'000	FVTPL S$'000	FVOCI S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Company										
31 December 2021										
Financial assets measured at fair value										
Subsidiaries	6	–	–	16,720	–	16,720	–	–	16,720	16,720
Other investments	8	–	24,731	–	–	24,731	–	24,731	–	24,731
		–	24,731	16,720	–	41,451				
Financial assets not measured at fair value										
Subsidiaries	6	2,018	–	–	–	2,018				
Trade and other receivables*	10	15,901	–	–	–	15,901				
Cash and cash equivalents	12	12,779	–	–	–	12,779				
		30,698	–	–	–	30,698				
Financial liability not measured at fair value										
Lease liabilities	15	–	–	–	(272)	(272)				
Trade and other payables	16	–	–	–	(2,759)	(2,759)				
		c	–	–	(3,031)	(3,031)				

* Exclude prepayments.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (Continued)

Fair values versus carrying amounts (Continued)

		Carrying amount					Fair value			
	Note	Amortised costs S$'000	FVTPL S$'000	FVOCI S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Company										
31 December 2020										
Financial assets measured at fair value										
Subsidiaries	6	–	–	11,312	–	11,312	–	–	11,312	11,312
Financial assets not measured at fair value										
Trade and other receivables*	10	18,475	–	–	–	18,475				
Cash and cash equivalents	12	39,845	–	–	–	39,845				
		58,320	–	–	–	58,320				
Financial liability not measured at fair value										
Lease liabilities	15	–	–	–	(380)	(380)				
Trade and other payables	16	–	–	–	(4,106)	(4,106)				
		–	–	–	(4,486)	(4,486)				

* Exclude prepayments.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL INSTRUMENTS (CONTINUED)

Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring level 2 and level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Level of fair value hierarchy	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group				
Contingent consideration	3	Adjusted net asset value	Net asset value	The estimated fair value would increase (decrease) if the net tangible asset was higher (lower).
Other investments – Financial assets at FVTPL	2	Issuer quoted prices (last) of the investment funds are sourced from Bloomberg on a daily basis.	N/A	N/A
	3	Adjusted net asset value	Net asset value	The estimated fair value would increase (decrease) if the net tangible asset was higher (lower).
Company				
Other investments – Financial assets at FVTPL	2	Issuer quoted prices (last) of the investment funds are sourced from Bloomberg on a daily basis.	N/A	N/A
Equity investments	3	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk adjusted discounted rate.	Risk-adjusted discount rate at 8 to 11%	The estimated fair value would increase (decrease) if the risk – adjusted discount rate was lower (higher).

(ii) Transfers between levels 1, 2 and 3

During the financial years ended 31 December 2021 and 31 December 2020, there have been no transfers between Level 1, Level 2 and Level 3.

The valuation techniques and the inputs used in the fair value measurements of the financial assets and financial liabilities for measurement and/or disclosure purposes are set out in Note 2.4.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL INSTRUMENTS (CONTINUED)

Measurement of fair values (Continued)

(iii) Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	Group		Company
	Financial assets at FVTPL S$'000	Contingent consideration S$'000	Equity investments S$'000
At 1 January 2021	–	(2,331)	11,312
Purchases	636	–	–
Total gains and losses for the period included in OCI:			
– net change in fair value	–	–	5,408
Total unrealised gains and losses recognised in profit or loss:			
– administrative expenses	–	75	–
At 31 December 2021	636	(2,256)	16,720
At 1 January 2020	–	(2,313)	21,285
Capital reduction by equity investment	–	–	(10,000)
Total gains and losses for the period included in OCI:			
– net change in fair value	–	–	27
Total unrealised gains and losses recognised in profit or loss:			
– administrative expenses	–	(18)	–
At 31 December 2020	–	(2,331)	11,312

Sensitivity analysis

For the fair values of contingent consideration and equity securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following impacts.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL INSTRUMENTS (CONTINUED)

Measurement of fair values (Continued)

(iii) Level 3 fair values (Continued)

Sensitivity analysis (Continued)

Equity securities

	Company OCI, net of tax Increase S$'000	Company OCI, net of tax Decrease S$'000
31 December 2021		
Net tangible assets (1% movement)	167	(167)
31 December 2020		
Net tangible assets (1% movement)	113	(113)

25 LEASES

Leases as lessee (SFRS(I) 16)

The Group leases office units and office equipment. The leases typically run for a period of 1 to 3 years. Lease payments are renegotiated at the end of lease term to reflect market rentals. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to office units and office equipment that do not meet the definition of investment property are presented as property, plant and equipment (see Note 4).

	Office units S$'000	Office equipment S$'000	Total S$'000
Group			
Balance at 1 January 2020	200	10	210
Addition	498	16	514
Depreciation charge for the year	(287)	(8)	(295)
Balance at 31 December 2020	411	18	429
Balance at 1 January 2021	411	18	429
Addition	300	15	315
Depreciation charge for the year	(273)	(7)	(280)
Balance at 31 December 2021	438	26	464

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

25 LEASES (CONTINUED)

Leases as lessee (SFRS(I) 16) (Continued)

Right-of-use assets (Continued)

	Office units S$'000	Office equipment S$'000	Total S$'000
Company			
Balance at 1 January 2020	70	–	70
Addition	498	–	498
Depreciation charge for the year	(195)	–	(195)
Balance at 31 December 2020	373	–	373
Balance at 1 January 2021	373	–	373
Addition	79	–	79
Depreciation charge for the year	(192)	–	(192)
Balance at 31 December 2021	260	–	260

Amounts recognised in profit or loss

	Group	
	2021 S$'000	2020 S$'000
Leases under SFRS(I) 16		
Interest on lease liabilities	27	25

Amounts recognised in statement of cash flows

	2021 S$'000	2020 S$'000
Total cash outflow for leases	286	314

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

26 RELATED PARTIES

Transactions with key management personnel

Key management personnel compensation

Compensation payable to key management personnel comprises:

	Group	
	2021 S$'000	2020 S$'000
Short-term employee benefits		
Directors' fees	409	458
Key management staff	2,017	1,806
	2,426	2,264

Other related party transactions

The following were carried out in the normal course of business on terms agreed between the parties during the year:

	2021 S$'000	2020 S$'000
Joint venture – Tat Hong Intraco Pte Ltd and its subsidiaries		
Net proceeds on sale of cranes to a subsidiary of a controlling shareholder	936	–
Amount attributable to the Group	374	–

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

27 SUBSIDIARIES

Name of Company	Principal activities	Country of incorporation	Ownership interest held by Group 2021 %	Ownership interest held by Group 2020 %	Note
Held by Intraco Limited:					
Intrawave Pte Ltd	Provision of radio coverage system management, operation and mobile service and supply of communications equipment to other service providers.	Singapore	100	100	i
Intraco Trading Pte Ltd	Trading, marketing and distribution and acting as commission agents for industrial materials, energy commodities products.	Singapore	100	100	i
Intraco Foods Pte Ltd	Trading and processing of agricultural and food products which include frozen seafood and fertilisers.	Singapore	100	100	i
Intraco International Pte Ltd	Investment holding company.	Singapore	100	100	i
Inno Tech Pte. Ltd.	Installation of fire protection and security alarm systems, manufacturing and sales of products & services relating to fire protection and security systems.	Singapore	100	100	iv

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

27 SUBSIDIARIES (CONTINUED)

Name of Company	Principal activities	Country of incorporation	Ownership interest held by Group 2021 %	2020 %	Note
Held by Intraco International Pte Ltd:					
Intraco International (Shanghai) Co., Ltd	Import, export and wholesale of industrial materials which include metals, plastics, petrochemicals and rubbers and commission agency business.	China	100	100	ii, iv
K.A. Group Holdings Pte. Ltd.	Investment holding company.	Singapore	90	90	i
Held by K.A. Group Holdings Pte. Ltd.:					
K.A. Building Construction Pte Ltd	Property investment and leasing of investment properties.	Singapore	90	90	i
K.A. Fireproofing Pte Ltd	Manufacturing and installation of passive fire protection products.	Singapore	90	90	i
K.A. Fabric Shutters Pte Ltd	Manufacturing and installation of passive fire protection products.	Singapore	90	90	i
K.A. FireLite Pte. Ltd.	Manufacturing and installation of passive fire protection products.	Singapore	90	90	i
K.A. Vermiculite Spray Sdn Bhd	Manufacturing and installation of passive fire protection products.	Malaysia	90	90	iii, iv

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

27 SUBSIDIARIES (CONTINUED)

Notes

i Audited by KPMG LLP, Singapore.

ii Audited by Shanghai Mingyu Certified Public Accountants Co., Ltd., People's Republic of China.

iii Audited by P.S. Yap, Isma & Associates, Chartered Accountants, Malaysia.

iv These companies are dormant during the year.

KPMG LLP Singapore is the auditor of all significant Singapore-incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under the Listing Manual of the SGX-ST if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

28 SUBSEQUENT EVENTS

(i) On 24 December 2021, the Company entered into subscription agreements for the proposed subscriptions of 10,000,000 new ordinary shares in the issued and paid-up capital of the Company at an issue price of S$0.45 per share, amounting to an aggregate gross consideration of S$4,500,000. The Company received approval in-principle from SGX-ST for the listing and quotation of the new shares on 13 January 2022. On 17 January 2022, the Company allotted and issued 10,000,000 shares to the subscribers. The new shares were listed and quoted on the Official List of the SGX-ST on 19 January 2022. Following the completion of the subscriptions, the total number of shares has increased from 102,816,879 shares to 112,816,879 shares (excluding treasury shares).

(ii) On 7 February 2022, the Group entered into an acquisition agreement with Messrs Mark Carnegie and Sergei Sergienko (collectively, the "Sellers") for the acquisition of 51% stake in MHC Singapore. MHC Singapore is to be incorporated in Singapore by the Sellers and will take over the relevant businesses and assets of MHC Digital Group, which is an Australian digital asset platform, combining traditional financial funds management expertise and digital asset expertise and providing end-to-end services, including fund management and trading services. The proposed transaction constitutes a major transaction under Rule 1014 of the Listing Manual of the SGX-ST and is subject to the approval of the shareholders of the Company. Upon completion, the proposed transaction is expected to have a significant impact to the net tangible assets per share and earnings per share of the Group.

SUPPLEMENTARY INFORMATION

(SGX-ST LISTING MANUAL DISCLOSURE REQUIREMENTS)

Description of properties held by the Group is as follows:

Location	Description	Tenure
43 Tuas View Close Singapore 637477	Factory	60-year lease from 9 July 1996 to 8 July 2056
71 Tuas View Place #05-01 Westlink Two Singapore 637434	Factory	60-year lease from 20 November 1995 to 19 November 2055
71 Tuas View Place #05-20 Westlink Two Singapore 637434	Factory	60-year lease from 20 November 1995 to 19 November 2055

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2022

SHAREHOLDING STATISTICS

Class of shares	:	Ordinary shares
Number of issued and fully paid shares (excluding Treasury Shares)	:	112,816,879
Number of Treasury Shares Held	:	909,000
Number of Subsidiary Holdings held	:	Nil
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share (no vote for treasury shares)

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 – 99	65	2.17	2,276	0.00
100 – 1,000	710	23.67	499,453	0.44
1,001 – 10,000	1,765	58.85	6,855,165	6.08
10,001 – 1,000,000	449	14.98	24,961,875	22.13
1,000,001 and above	10	0.33	80,498,110	71.35
Total	**2,999**	**100.00**	**112,816,879**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Phillip Securities Pte Ltd	29,392,800	26.05
2.	UOB Kay Hian Private Limited	29,331,650	26.00
3.	Soh Ying Sin	4,500,000	3.99
4.	Oei Hong Leong	4,272,400	3.79
5.	DBS Nominees (Private) Limited	3,158,707	2.80
6.	CGS-CIMB Securities (Singapore) Pte. Ltd.	2,498,203	2.21
7.	Alpha Securities Pte Ltd	2,269,200	2.01
8.	Raffles Nominees (Pte.) Limited	2,030,150	1.80
9.	Guthrie Venture Pte Ltd	2,000,000	1.77
10.	Morph Investments Ltd	1,045,000	0.93
11.	United Overseas Bank Nominees (Private) Limited	990,069	0.88
12.	Fong Soon Yong	974,700	0.86
13.	OCBC Nominees Singapore Private Limited	849,850	0.75
14.	Citibank Nominees Singapore Pte Ltd.	645,039	0.57
15.	Khong Kin Pang	591,000	0.52
16.	Ramesh S/O Pritamdas Chandiramani	575,300	0.51
17.	Lee Mei Fong	516,000	0.46
18.	Simmic Investments Pte Ltd	500,000	0.44
19.	Yeo Boon Chye	500,000	0.44
20.	Goh Choon Wei Or Ceciline Goh	422,200	0.37
Total		**87,062,268**	**77.15**

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2022

PUBLIC FLOAT

Disclosure pursuant to Rule 1207(9)(e) of the SGX-ST Listing Manual

As at 15 March 2022, approximately 44.17% of the total number of issued shares of the Company was held by the public and accordingly, the Company has complied with Rule 723 of the SGX-ST Listing Manual.

SHAREHOLDERS' INFORMATION

As at 15 March 2022

INFORMATION ON SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest	%	Deemed Interest	%
TH Investments Pte Ltd	–	–	29,486,148[(1)]	26.14
Tat Hong Investments Pte Ltd	–	–	29,486,148[(1)]	26.14
Chwee Cheng & Sons Pte Ltd	–	–	29,486,148[(1)]	26.14
Ng San Tiong	–	–	29,486,148[(1)]	26.14
Ng Sun Ho	–	–	29,486,148[(1)]	26.14
Ng San Wee	–	–	29,486,148[(1)]	26.14
Ng Sun Giam	–	–	29,486,148[(1)]	26.14
Amtrek Investment Pte. Ltd.	28,998,400	25.70	–	–
Chew Leong Chee	–	–	28,998,400[(2)]	25.70
Melanie Chew Ng Fung Ning	–	–	28,998,400[(3)]	25.70
Resource Pacific Holdings Pte. Ltd.	–	–	28,998,400[(4)]	25.70
Asia Resource Corporation Pte. Ltd.	–	–	28,998,400[(5)]	25.70
Macondray Holdings Pte. Ltd.	–	–	28,998,400[(6)]	25.70

Notes:

(1) Shares owned by TH Investments Pte Ltd are held under nominee account(s). TH Investments Pte Ltd is wholly owned by Tat Hong Investments Pte Ltd, which in turn is wholly owned by Chwee Cheng & Sons Pte Ltd. 39.50% of the issued share capital of Chwee Cheng & Sons Pte Ltd is owned by Chwee Cheng Trust constituted under a trust deed. Mr Ng San Tiong, Mr Ng Sun Ho, Mr Ng San Wee and Mr Ng Sun Giam are the joint trustees of Chwee Cheng Trust.

Pursuant to Section 7 of the Companies Act, Cap. 50 (the "**Act**"), each of Mr Ng San Tiong, Mr Ng Sun Ho, Mr Ng San Wee and Mr Ng Sun Giam has a deemed interest in Chwee Cheng Trust's 39.50% shareholding interest in Chwee Cheng & Sons Pte Ltd and a direct interest in Chwee Cheng & Sons Pte Ltd. Accordingly, each of Mr Ng San Tiong, Mr Ng Sun Ho, Mr Ng San Wee and Mr Ng Sun Giam is deemed to be interested in the shares held by TH Investments Pte Ltd in the Company.

(2) Mr Chew Leong Chee ("**Mr Chew**") owns 25% direct interest and 30% indirect interest through his spouse, Dr Melanie Chew Ng Fung Ning ("**Dr Melanie Chew**") in Resource Pacific Holdings Pte. Ltd. ("**RPHPL**"). Mr Chew also owns 38.01% interest in Asia Resource Corporation Pte. Ltd. ("**ARCPL**").

RPHPL owns 42.72% interest in ARCPL. ARCPL owns 84.10% interest in Macondray Holdings Pte. Ltd. ("**MHPL**"). MHPL owns 100% interest in Amtrek Investment Pte. Ltd. ("**AIPL**"). Pursuant to Section 7 of the Act, Mr Chew is deemed to be interested in the shares held by AIPL in the Company.

(3) Dr Melanie Chew owns 30% direct interest in RPHPL. RPHPL owns 42.72% interest in ARCPL. ARCPL owns 84.10% interest in MHPL. MHPL owns 100% interest in AIPL. Pursuant to Section 7 of the Act, Dr Melanie Chew is deemed to be interested in the shares held by AIPL in the Company.

(4) RPHPL owns 42.72% interest in ARCPL. ARCPL owns 84.10% interest in MHPL. MHPL owns 100% interest in AIPL. Pursuant to Section 7 of the Act, RPHPL is deemed to be interested in the shares held by AIPL in the Company.

(5) ARCPL owns 84.10% interest in MHPL. MHPL owns 100% interest in AIPL. Pursuant to Section 7 of the Act, ARCPL is deemed to be interested in the shares held by AIPL in the Company.

(6) MHPL owns 100% interest in AIPL. Pursuant to Section 7 of the Act, MHPL is deemed to be interested in the shares held by AIPL in the Company.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Third Annual General Meeting (the "**AGM**") of **INTRACO LIMITED** (the "**Company**") will be held by way of electronic means on Wednesday, 20 April 2022 at 10.00 am to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the year ended 31 December 2021 together with the Auditors' Report thereon.
Resolution 1

2. To re-elect Dr Tan Boon Wan, a Director retiring pursuant to Regulation 115 of the Company's Constitution.
See Explanatory Note (i) on page 191 **Resolution 2**

3. To re-elect Mr Mak Lye Mun, a Director retiring pursuant to Regulation 119 of the Company's Constitution.
See Explanatory Note (ii) on page 191 **Resolution 3**

4. To approve the payment of Directors' fees of up to S$400,000 for the financial year ending 31 December 2022, to be paid quarterly in arrears (FY2021: S$440,000).
See Explanatory Note (iii) on page 191 **Resolution 4**

5. To appoint BDO LLP as the Auditors of the Company in place of the retiring Auditors, KPMG LLP, to hold office until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration.
See Explanatory Note (iv) on page 191 **Resolution 5**

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

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

7. **SHARE ISSUE MANDATE**

That pursuant to Section 161 of the Companies Act 1967 of Singapore ("**Companies Act**"), and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors be authorised and empowered to:

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

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

NOTICE OF ANNUAL GENERAL MEETING

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

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

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company ("**Shareholders**") shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below):

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of the issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the exercise of share options or vesting of share awards;

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

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

See Explanatory Note (v) on page 191 **Resolution 6**

NOTICE OF ANNUAL GENERAL MEETING

8. **AUTHORITY TO ISSUE SHARES UNDER THE INTRACO EMPLOYEE SHARE OPTION SCHEME**

That pursuant to Section 161 of the Companies Act, the Directors be authorised and empowered to grant options in accordance with the provisions of the Intraco Employee Share Option Scheme ("**Scheme**") and to issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional Shares to be issued pursuant to the Scheme and any other share schemes which the Company may have in place shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
See Explanatory Note (vi) on page 191 **Resolution 7**

9. **RENEWAL OF SHARE BUYBACK MANDATE**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued Shares not exceeding in aggregate the Maximum Percentage, at such price or prices as may be determined by the Directors from time to time up to either the Maximum Market Purchase Price, or the Maximum Off-Market Purchase Price (as the case may be), whether by way of:–

(i) market purchase(s) ("**Market Purchases**") on the SGX-ST or on any other securities exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**"); and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) ("**Off-Market Purchases**"), in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, the Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:–

(i) the date on which the next AGM of the Company is held;

(ii) the date by which the next AGM of the Company is required by law to be held; and

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

NOTICE OF ANNUAL GENERAL MEETING

(c) for purposes of this Resolution:–

(i) "**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST immediately preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five (5) Market Days period and the day on which the Market Purchase is made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase;

(ii) "**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Off-Market Purchase Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

(iii) "**Market Day**" means a day on which the SGX-ST is open for trading in securities;

(iv) "**Maximum Market Purchase Price**" means in the case of a Market Purchase, 105% of the Average Closing Price of the Shares;

(v) "**Maximum Off-Market Purchase Price**" means in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares; and

(vi) "**Maximum Percentage**" means 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

See Explanatory Note (vii) on page 191 **Resolution 8**

10. **TO APPROVE THE CONTINUED APPOINTMENT OF DR TAN BOON WAN ("DR TAN") AS AN INDEPENDENT DIRECTOR FOR PURPOSES OF RULE 210(5)(D)(III)(A) OF THE LISTING MANUAL OF THE SGX-ST**

That, subject to and contingent upon the passing of Resolutions 2 and 10 below,

(a) the continued appointment of Dr Tan, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST be and is hereby approved; and

(b) the authority conferred by this Resolution shall continue in force until the earlier of (i) the retirement or resignation of Dr Tan as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

See Explanatory Note (i) on page 191 **Resolution 9**

NOTICE OF ANNUAL GENERAL MEETING

11. **TO APPROVE THE CONTINUED APPOINTMENT OF DR TAN AS AN INDEPENDENT DIRECTOR FOR PURPOSES OF RULE 210(5)(D)(III)(B) OF THE LISTING MANUAL OF THE SGX-ST**

That, subject to and contingent upon the passing of Resolutions 2 and 9 above,

(a) the continued appointment of Dr Tan, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST be and is hereby approved; and

(b) the authority conferred by this Resolution shall continue in force until the earlier of (i) the retirement or resignation of Dr Tan as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

See Explanatory Note (i) on page 191 **Resolution 10**

By Order of the Board

Josephine Toh
Company Secretary

Singapore
30 March 2022

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) With effect from 1 January 2022, Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST provided that a director will not be independent if he has been a director for an aggregate period of more than nine years and his continued appointment as an Independent Director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer of the Company and their respective associates (as defined in the Listing Manual of the SGX-ST).

The Company is seeking to obtain shareholders' approval for Dr Tan's continued appointment as an Independent Director, as he has served for more than nine years on the Board of the Company and will be retiring pursuant to Regulation 115 of the Company's Constitution at the forthcoming AGM.

If such requisite approval is not obtained at the forthcoming AGM, Dr Tan will be regarded as non-independent and will be re-designated as Non-Independent Director. In such circumstances then, the Board will take steps to ensure that the Board has the appropriate number of Independent Directors.

The requisite approval, if obtained, would remain in force until the earlier of the following: (i) the retirement or resignation of Dr Tan; or (ii) the conclusion of the third Annual General meeting following the passing of the relevant Ordinary Resolutions.

Subject to passing of Resolutions 2, 9 and 10, Dr Tan Boon Wan will, upon re-election as an Independent Director of the Company, remain as the Chairman of the Audit Committee and the Nominating Committee respectively, and a member of the Remuneration Committee. Detailed information of Dr Tan required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found in the Annual Report.

(ii) Mr Mak Lye Mun will, upon re-election as a Director, remain as the Independent Chairman of the board of Directors (the "**Board**") and the Remuneration Committee, and a member of the Audit Committee and Nominating Committee respectively and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Detailed information of Mr Mak required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found in the Annual Report.

(iii) The Ordinary Resolution 4 proposed in item 4 above is to approve Non-Executive Directors' fees for the financial year ending 31 December 2022. The amount is computed based on a framework comprising basic fees reflecting membership and Chairmanship of the Board and the Board Committees; attendance fees capped at S$10,000 per director based on the anticipated number of Board and Board Committees meetings to be held in 2022.

(iv) For more information relating to Ordinary Resolution 5 in item 5 above, please refer to the Appendix to the annual report of the Company for the financial year ended 31 December 2021 ("**FY2021**") relating to Change of Auditors dated 30 March 2022.

(v) The Ordinary Resolution 6 proposed in item 7 above, if passed, will empower the Directors, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is revoked or varied by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this resolution is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this resolution is passed, and any subsequent bonus issue, consolidation or subdivision of Shares.

(vi) The Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is revoked or varied by the Company in a general meeting, whichever is the earlier, to issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted or to be granted under the Scheme. The aggregate number of Shares which may be issued pursuant to the Scheme and any other share schemes which the Company may have in place shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

(vii) The Ordinary Resolution 8 proposed in item 9 above, if passed, will empower the Directors effective until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, to repurchase Shares by way of market purchases or off-market purchases of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the AGM at which the Resolution is passed. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial statements of the Company and its subsidiaries for FY2021 are set out in greater detail in the addendum to the annual report of the Company for FY2021 dated 30 March 2022.

NOTICE OF ANNUAL GENERAL MEETING

Important Notice:

The AGM will be held by electronic means pursuant to the COVID-19 (Temporary Measures)(Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders will **NOT** be able to attend the AGM physically. All shareholders or their corporate representative(s) (in the case of Shareholders which are legal entities) will be able to participate in the AGM proceedings by Real-Time Remote Electronic Voting and Real-Time Electronic Communication. Please refer to "**Pre-registration for the AGM**" section below for details on participation in the AGM.

Appointment of proxy(ies)

1. A shareholder who is not a relevant intermediary and entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his/her/their/its stead. A proxy need not be a shareholder. Where a shareholder appoints more than one proxy, the appointments shall be invalid unless he/she/they/it specifies the proportion of his/her/their/its holding (expressed as a percentage of the whole) to be represented by each proxy.

2. A shareholder who is a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote instead of the shareholder. Each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints more than one proxy, the appointments shall be invalid unless the shareholder specifies the number of Shares in relation to which each proxy has been appointed in the Proxy Form (defined below).

   "**Relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds Shares in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of Shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. Shareholders may also appoint Chairman of the Meeting to vote in in his/her/their/its stead. The Chairman of the Meeting, as a proxy, need not be a shareholder.

   The instrument appointing proxy(ies) (the "**Proxy Form**") must be deposited at the Share Registrar's Office at **Boardroom Corporate & Advisory Services Pte. Ltd.** at **1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632** or sent by email to srs.teamc@boardroomlimited.com not less than seventy-two (72) hours before the time appointed for holding the AGM.

   Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

4. CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e.: by **10:00 a.m.** on **8 April 2022**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form by the cut-off date.

Pre-registration for the AGM

1. Shareholders, appointed proxy(ies) and CPF and SRS investors attending the virtual AGM will be able to participate the AGM proceedings through the Live Webcast via their mobile phones, tablets or computers.

2. Shareholders, CPF and SRS investors who wish to attend the AGM are required to pre-register their participation in the AGM ("**Pre-registration**") at this link: https://conveneagm.sg/intracoagm2022 ("**AGM Registration and Q&A Link**") by **10.00 a.m.** on **17 April 2022** ("**Registration Deadline**") for verification of their status as shareholders.

3. Following verification, shareholders, CPF and SRS investors and appointed proxy(ies) ("**Authenticated Shareholders**") will receive an email by **10.00 a.m.** on **19 April 2022**. The email will contain instructions to access the "live" webcast or "live" audio feed of the AGM proceedings. Attendees must not forward the email to other persons who are not entitled to participate in the AGM proceedings. Attendees who have pre-registered by the Registration Deadline in accordance with paragraph 2 above but have not received an email by **10.00 a.m.** on **19 April 2022** may contact the Company at Tel:+65 6586 6771 or email AGMenquiries@intraco.com for assistance.

NOTICE OF ANNUAL GENERAL MEETING

Question and answer

Shareholders, including CPF Investors and SRS Investors, can submit questions in advance of, or "**live**" at the AGM.

Submission of questions in advance of the AGM

Shareholders, including CPF Investors and SRS Investors, can submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM, in the following manner:

(i) Via pre-registration website: Shareholders who pre-register to observe and/or listen to the AGM proceedings may submit their questions via the pre-registration website at https://conveneagm.sg/intracoagm2022;

(ii) Via email: Shareholders may submit their questions via email to questions@intraco.com.

When sending in questions via email, please also provide the following details: (a) full name; (b) address; and (c) the manner in which the Shares are held (e.g.: via CDP, CPF, SRS and/or scrip).

Deadline to submit questions in advance of the AGM

All questions submitted in advance of the AGM via any of the above channels must be received by **10:00 a.m.** on **17 April 2022**.

Pre-register to ask questions "**live**" at the AGM

Shareholders (including CPF and SRS investors) and, where applicable, appointed proxy(ies), can also ask the Chairman of the AGM questions related to the resolutions to be tabled for approval at the AGM, "**live**" at the AGM, by typing in and submitting their questions via the online platform hosting the audio-visual webcast and audio-only stream.

Addressing questions

The Company will endeavour to address substantial and relevant questions (as may be determined by the Company in its sole discretion) received from Shareholders, as well as those received "**live**" at the AGM itself, during the AGM through the "**live**" audio-visual webcast and "**live**" audio-only stream of the AGM proceedings. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

Voting

1. Live voting will be conducted during the AGM. It is important for Attendees to ensure their own web-browser enabled devices are ready for voting during the AGM.

2. Attendees will be required to log-in via the email address provided during pre-registration or as indicated in the Proxy Form.

    (i) Live voting: Attendees may cast their votes in real time for each resolution to be tabled via the Live Webcast through the login credentials created during pre-registration. Attendees will have the opportunity to cast their votes via the live voting feature.

    (ii) Voting via appointing the Chairman of the Meeting as Proxy. As an alternative to the above, Shareholders may also appoint the Chairman of the AGM as his/her/its proxy to vote on their behalf. Please refer to "**Appointment of proxy(ies)**" section above for the manner of submission.

Note

A shareholder may request for a printed copy of the FY2021 Annual Report by submitting the request via email to srs.teamc@boardroomlimited.com by 31 May 2022. The request must state the following:

(a) 2021 Intraco Limited Annual Report;

(b) the full name of the shareholder;

(c) the mailing address; and

(d) the manner in which the shareholder holds shares in the Company (e.g. via CDP, CPF/SRS and/or scrip).

NOTICE OF ANNUAL GENERAL MEETING

KEY DATES/DEADLINES

In summary, the key dates/deadlines which shareholders should take note of are set out in the table below:

Key Dates	Actions
Wednesday, 30 March 2022	Shareholders may begin to pre-register for the Real-time remote electronic voting and Real-time electronic communication at https://conveneagm.sg/intracoagm2022 and follow the instructions in the link.
10.00 a.m on Friday, 8 April 2022	Deadline for CPF or SRS investors who wish to appoint proxy(ies) to approach their respective CPF Agent Banks or SRS Operators to submit their votes.
10.00 a.m on Sunday, 17 April 2022	Deadline for shareholders to: • pre-register for the Real-Time Remote Electronic Voting and Real-Time Electronic Communication • submit proxy forms to srs.teamc@boardroomlimited.com • submit their questions via pre-registration website at https://conveneagm.sg/intracoagm2022 or email at questions@intraco.com
10.00 a.m. on Tuesday, 19 April 2022	Authenticated Shareholders would have received a Confirmation Email containing instructions to access the AGM proceedings. Shareholders who did not receive the Confirmation Email by 10.00 a.m. on 19 April 2022, but have registered by the Pre-Registration deadline should contact the Company for assistance at +65 6586 6771 or email AGMenquiries@intraco.com (between 10.00 a.m. and 5.00 p.m. on 19 April 2022).
Date and Time of AGM – 10.00 a.m. on Wednesday, 20 April 2022	For the Real-Time Remote Electronic Voting and Real-Time Electronic Communication: Authenticated Shareholders may login to the URL with the log-in and password contained in the Confirmation Email at https://conveneagm.sg/intracoagm2022 and follow the instructions in the link. Shareholders (including CPF and SRS Investors) or, where applicable, their appointed proxy(ies) must access the AGM proceedings via the "**live**" audio-visual webcast in order to ask questions and vote "**live**" at the AGM.

For further information or enquiries, shareholders may email the Company at AGMenquiries@intraco.com for assistance.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY:

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) completing the Pre-registration in accordance with this Notice, or (c) submitting any question prior to, and/or during the AGM in accordance with this Notice, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

(i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing a proxy or proxies for the AGM (including any adjournment thereof);

(ii) the processing of the Pre-registration for purposes of granting access to shareholders (or their corporate representatives in the case of Shareholders which are legal entities) to the live webcast or live audio feed of the AGM proceedings and providing them with any technical assistance where necessary;

(iii) addressing relevant and substantial questions from Shareholders received before, and/or during the AGM and if necessary, following up with the relevant Shareholders in relation to such questions;

(iv) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

Important reminder

Shareholders are advised to regularly check the Company's website or announcements released on SGXNET for updates on the AGM. Further, shareholders are strongly encouraged to submit completed proxy forms electronically via email.

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INTRACO LIMITED
(Incorporated in Singapore)
(Company Registration No. 196800526Z)

IMPORTANT:
Note: This Proxy Form may be accessed at Intraco Limited's website at www.intraco.com and also on the website of the SGX-ST at https://www.sgx.com/securities/company-announcements

1. A relevant intermediary may appoint more than two proxies to attend and vote at the Annual General Meeting (please see Note 2 for the definition of "**relevant intermediary**").
2. For CPF/SRS investors who have used their CPF monies to buy INTRACO Limited's shares, this Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. **PLEASE READ THE NOTES TO THE PROXY FORM**.

Personal Data Privacy
By submitting an instrument appointing the Chairman of the Meeting as Proxy, the Member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 March 2022.

PROXY FORM
ANNUAL GENERAL MEETING

*I/We, ______________________ (Name) ______________ (NRIC/Passport/Co Reg No.)

of ____ (Address)

being a member/members of **INTRACO Limited** (the "**Company**"), hereby appoint:

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

and/or (delete as appropriate)

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

or failing *him/her/them, the **Chairman of the Annual General Meeting** (the "**Meeting**") as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Meeting of the Company to be held by electronic means on Wednesday, 20 April 2022 at 10.00 am and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for, against or abstain from voting on the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

Voting will be conducted by poll. If you wish to abstain or exercise all your votes "For", "Against" or "Abstain", please tick (√) within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.

No.	Resolutions relating to:	No. of Votes For	No. of Votes Against	No. of Votes Abstain
Ordinary Business				
1.	Adoption of Directors' Statement, Audited Financial Statements and Auditors' Report			
2.	Re-election of Dr Tan Boon Wan pursuant to Regulation 115 of the Constitution			
3.	Re-election of Mr Mak Lye Mun pursuant to Regulation 119 of the Constitution			
4.	Approval of Directors' fees			
5.	Appointment of BDO LLP as Auditors in place of the retiring Auditors, KPMG LLP			
Special Business				
6.	Share Issue Mandate			
7.	Authority to issue shares under the INTRACO Employee Share Option Scheme			
8.	Renewal of Share Purchase Mandate			
9.	Approval on continued appointment of Dr Tan Boon Wan as an Independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST			
10.	Approval on continued appointment of Dr Tan Boon Wan as an Independent Director under Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST			

**Delete where inapplicable*

Dated this ________ day of ________________ 2022.

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

______________________________ ______________________
Signature(s) of Member(s)/Common Seal Contact number of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes to the Proxy Form:

1. A shareholder of INTRACO Limited ("**Shareholder**") who is not a relevant intermediary and entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his/her/their/its stead. A proxy need not be a Shareholder. Where a Shareholder appoints more than one proxy, the appointments shall be invalid unless he/she/they/it specifies the proportion of his/her/their/its shareholding (expressed as a percentage of the whole) to be represented by each proxy.

2. A Shareholder who is a relevant intermediary entitled to attend and vote at the Meeting is entitled to appoint more than two proxies to attend and vote instead of the Shareholder, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder appoints more than one proxy, the appointments shall be invalid unless the Shareholder specifies the number of Shares in relation to which each proxy has been appointed in the Proxy Form (defined below).

   "**Relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds shares in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. Shareholders may also appoint Chairman of the Meeting to vote in in his/her/their/its stead. The Chairman of the Meeting, as a proxy, need not be a Shareholder.

4. A Shareholder should insert the total number of Shares held in the Proxy Form. If the Shareholder has Shares entered against his/her/their/its name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she/they/it should insert that number of Shares. If the Shareholder has Shares registered in his/her/their/its name in the Register of Members, he/she/they/it should insert that number of Shares. If the Shareholder has Shares entered against his/her/their/its name in the said Depository Register and Shares registered in his/her/their/its name in the Register of Members, he/she/they/it should insert the aggregate number of Shares entered against his/her/their/its name in the Depository Register and registered in his/her/their/its name in the Register of Members. If no number is inserted, the Proxy Form will be deemed to relate to all the Shares held by the Shareholder.

5. The instrument appointing proxy(ies) (the "**Proxy Form**") must be deposited at the Share Registrar's Office at **Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632** or sent by email to srs.teamc@boardroomlimited.com not less than 72 hours before the time appointed for holding the Meeting.

   Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

6. The Proxy Form must be executed under the hand of the appointor or of his or her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a notarially certified copy thereof must be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

7. Completion and return of this instrument appointing a proxy or proxies shall not preclude a Shareholder from attending and voting at the Meeting. A shareholder who assesses the "live" webcast of the Meeting proceedings may revoke the appointment of a proxy(ies) at any time before the Meeting commences, and in such event, the Company reserves the right to terminate the proxy's(ies) access to the Meeting proceedings.

8. The Company shall have the right to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appoint or specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company (a) may reject any Proxy Form if the Shareholder, being the appointor, is not shown to have shares entered against his or her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by CDP to the Company; and (b) shall be entitled and bound to accept as accurate the number of shares entered against the name of that Shareholder as shown in the Depository Register as at a time not earlier that 72 hours prior to the time of the Meeting, supplied by CDP to the Company and to accept as the maximum number of votes which in aggregate that Shareholder and his proxy/ies (if any) are able to cast on poll a number which is the number of shares entered against the name of that Shareholder as shown in the Depository Register, whether that number is greater or smaller than that specified by the Shareholder or in the Proxy Form.

9. All Shareholders will be bound by the outcome of the Meeting regardless of whether they have attended or voted at the Meeting.

10. Personal data privacy: By submitting an instrument appointing proxy(ies) to vote at the Meeting and/or any adjournment thereof, all shareholders accept and agree to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 March 2022.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Mak Lye Mun (Chairman and Independent Director, appointed on 29 April 2021)

Dr Tan Boon Wan (Independent Director)

Mr Charlie Ng How Kiat (Non-Independent Non-Executive Director)

Dr Steve Lai Mun Fook (Non-Independent Non-Executive Director)

AUDIT COMMITTEE
Dr Tan Boon Wan (Chairman)
Mr Mak Lye Mun
Mr Charlie Ng How Kiat

NOMINATING COMMITTEE
Dr Tan Boon Wan (Chairman)
Mr Mak Lye Mun
Dr Steve Lai Mun Fook

REMUNERATION COMMITTEE
Mr Mak Lye Mun (Chairman)
Dr Tan Boon Wan
Mr Charlie Ng How Kiat

COMPANY SECRETARIES
Ms Josephine Toh Lei Mui
Mr Chester Leong Chang Hong

AUDITORS
KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Audit Partner – Ms Sarina Lee
(Appointed since financial year ended 31 December 2019)

REGISTERED OFFICE
60 Albert Street
#07-01 OG Albert Complex
Singapore 189969
Tel: (65) 6586 6777
Fax: (65) 6316 3128
Email: admin@intraco.com
Website: www.intraco.com

SHARE REGISTRAR
Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Tel: (65) 6536 5355

PRINCIPAL BANKERS
United Overseas Bank Ltd
The Hongkong and Shanghai Banking
Corporation Limited

INTRACO LIMITED

(RN: 196800526Z)
60 Albert Street
#07-01 OG Albert Complex
Singapore 189969