SHEFFIELD
GREEN

ANNUAL
REPORT
2023

RENEWABLE RESILIENCE

SHAPING A SUSTAINABLE FUTURE

CONTENTS

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

The details of the contact person for the Sponsor are:–

Name: Mr. Jerry Chua (Registered Professional, Evolve Capital Advisory Private Limited)
Address: 138 Robinson Road, Oxley Tower, #13-02, Singapore 068906 Tel: (65) 6241 6626

Name: Mr. Paul Kuo (Registered Professional, Evolve Capital Advisory Private Limited)
Address: 138 Robinson Road, Oxley Tower, #13-02, Singapore 068906 Tel: (65) 6241 6626

CORPORATE PROFILE

Incorporated in 2021, Sheffield Green Ltd. ("Company") and its subsidiaries (collectively the "Group") is a Singapore-based human resource provider for the renewable energy industry headquartered in Singapore with offices in Taiwan and Japan.

The Group's comprehensive end-to-end suite of human resource services ranges from sourcing and training of workers to provision of equipment kits such as personal protective equipment as may be required for personnel to work on-site, and mobilisation of workers, as well as funding of payroll administration. The Group also provides executive search services to its clients, which entails identifying and matching personnel to such clients. The Group employs personnel to deploy to its clients in all the countries it operates.

The Group's existing and past clients include major players in the renewable energy industry: independent power producers; developers; engineering, procurement, construction, and installation contractors; transportation and installation contractors; wind turbine manufacturers; and offshore wind foundation manufacturers. Further, the Group has provided its human resource services to various notable vessel owners who were the Group's clients in Taiwan offshore projects.

OUR VISION

At Sheffield Green, we envision a future powered by renewable energy and driven by the best talents in the field. We aim to be the pivotal link connecting skilled professionals with innovative companies in the renewables sector. We strive to foster a global workforce that catalyses growth, innovation, and sustainability in green energy solutions.

OUR MISSION

At Sheffield Green, our mission is to provide exceptional human resource services tailored to the unique demands of the renewable energy industry. We are dedicated to sourcing top talent through specialised training programmes, fostering strategic partnerships, and delivering innovative workforce solutions. Our approach drives sustainability and growth within the renewable energy sector and embodies these values in our operations. We are committed to cultivating a skilled and passionate workforce to propel the renewable energy movement forward.

KEY HIGHLIGHTS FY2023

REVENUE

US$27.6 million
↑255.4% YoY

REVENUE BY BUSINESS SEGMENT:

PROVISION OF HUMAN RESOURCE

US$26.4 million
↑284.9% YoY

ANCILLARY SERVICES

US$1.3 million
↑36.1% YoY

GROSS PROFIT

US$7.7 million
↑528.3% YoY

PROFIT FOR THE YEAR

US$3.5 million
↑2,382.0% YoY

ADJUSTED PROFIT FOR THE YEAR*

US$4.1 million

* Profit after excluding IPO listing expenses.

NET CASH POSITION*

3.2 million

* Cash and cash equivalents less total borrowings as at 30 June 2023.

SHARES IN ISSUE

162,255,600

EARNINGS PER SHARE (BASIC AND DILUTED)

US cents 2.13

CHAIRMAN'S MESSAGE

DEAR FELLOW SHAREHOLDERS,

We are delighted to report a phenomenal year for Sheffield Green, marked by unprecedented growth and strategic milestones, including our successful Initial Public Offering ("IPO") on the Singapore Exchange ("SGX") Catalist Board. Our record financial performance for the year ended 30 June 2023 ("FY2023") signals a new era of prosperity and expansion for our company and shareholders.

LANDMARK IPO AND CORPORATE GROWTH

Our IPO on 30 October 2023 was a watershed moment, garnering strong investor interest. The offering of 24 million new shares at S$0.25 each, of which the Public Offer Shares of 4.9 million was 1.4 times oversubscribed, demonstrating high investor appetite and confidence in our growth potential. This strategic move enhances our global brand visibility while opening doors to expansive capital resources, enabling us to capitalise on future growth opportunities. The S$6.0 million in gross proceeds will be used for working capital purposes, payment of listing expenses, increasing our business coverage and geographical presence, as well as expanding product and service offerings, setting the stage for our expansion into key renewable energy markets.

EXCEPTIONAL FINANCIAL PERFORMANCE

We are notably pleased with our financial performance in FY2023 as we achieved a remarkable increase in revenue, more than tripling it to US$27.6 million in FY2023 from US$7.8 million in the year ended 30 June 2022 ("FY2022"), despite a challenging macroeconomic environment. The 255.4% year-on-year ("YoY") growth was complemented by a 528.3% YoY surge in gross profit, rising from US$1.2 million in FY2022 to US$7.7 million in FY2023. The primary drivers of this growth were increased contract acquisitions and expanded personnel supply in the offshore wind industry.

Our effective working capital management also turned operating cash flows positive, from a negative US$0.6 million in FY2022 to US$2.1 million in FY2023. This shift led to a significant financial transformation, moving from a net loss of US$0.2 million to a net profit of US$3.5 million, marking our transition to a profitable entity.

BUSINESS OUTLOOK

Projects from the offshore wind sector, which accounts for most of the Group's business, are poised for significant growth. The offshore wind industry is forecasted to expand from US$33.0 billion in 2022 to US$179.4 billion[1] in 2032, data from Precedence Research shows. According to IRENA[2], this will likely lead to substantial expansion in the renewable energy industry, with job opportunities slated to increase from 12.7 million in 2021 to 38.2 million in 2030.

Taiwan

Taiwan's offshore wind industry is surging, underpinned by the government's commitment to achieving 15GW by 2035 and spurred by substantial investments from global and local entities. The Group intends to venture into complementary areas, such as establishing training centres in Taiwan. By focusing on developing and training specialised workers, the Group intends to create a robust pipeline of talent that aligns with client needs and industry standards. As of December 2023, the Group has already engaged the training instructors and is finalising locations for its training centres to operate the facilities and launch the training programmes by the second quarter of 2024.

1 Precedence Research: Offshore Wind Energy Market Size 2022 to 2032 (USD Billion)
2 International Renewable Energy Agency: Renewable Energy and Jobs Annual Review 2023

CHAIRMAN'S MESSAGE

Japan

Japan's offshore wind industry is poised for substantial growth, driven by robust government support and increasing investor interest. Key policy measures include the potential opening of the exclusive economic zone ("**EEZ**") for large-scale floating wind projects and the deployment of eight Hitachi 2.1MW turbines on floating platforms. Corporate interest has also been encouraging with the recent conclusion of a major round of tenders for 1.8GW capacity.

Poland

Poland's offshore wind industry is embarking on a strong expansion path, underpinned by a legislative framework aiming for 12GW by 2030 and 18GW by 2040. Government measures such as the streamlining of permits have helped incentivise investment in the sector. The sector's expansion drives job creation, notably through Vestas's investment in a new turbine assembly facility in Szczecin, projected to generate 600 to 700 jobs.

STRATEGIC GLOBAL EXPANSION

We are capitalising on robust tailwinds in the renewable energy sector by providing end-to-end human resource solutions. This includes training, equipping personnel on-site, and sourcing various roles from C-suite to technical and offshore crew positions. Our ancillary services ensure seamless mobilisation of personnel for international projects, handling all visa and work permit applications. We have recently expanded our presence by opening a new office in Poland and plan to establish a regional office in Boston, USA. Following the set-up of our training centre in Taiwan, we are also aiming to open additional centres in Japan and Poland to meet the increasing global demand for renewable energy personnel.

SUSTAINING MOMENTUM FOR FUTURE SUCCESS

Our successful IPO and strategic expansion plans put us in a favourable position to take advantage of future growth opportunities. We remain optimistic and focused on strengthening our position as a leader in renewable energy, driving innovation, and expanding our global reach.

On behalf of the Board, I would like to express my heartfelt gratitude to our dedicated employees, loyal customers, and shareholders. Your unwavering support and contributions have been instrumental in enabling us to achieve these milestones, and we are excited to continue this journey together towards a more sustainable and prosperous future.

KEE BOO CHYE
Chairman, Sheffield Green Ltd.

BOARD OF DIRECTORS

MR KEE BOO CHYE

Mr Kee Boo Chye is the Chief Executive Officer and Executive Director and was appointed to the Board of Directors on 4 October 2021.

Mr Kee, a founding member of the Group, is responsible for the overall management of the Group as Chief Executive Officer and Executive Director. He has been appointed Executive Director since the incorporation of the Group and has remained in office since. His current responsibilities include overseeing the Group's overall management, formulation of the Group's overall strategic focus and direction, developing and maintaining relationships with suppliers and clients, and overseeing the Group's general operations. Mr Kee has a wealth of experience in the human resource services business, having been in this line since 1999. Mr Kee Boo Chye's leadership has been pivotal in establishing the Group as a trusted and respected provider of human resource services in the energy sector, and his ongoing guidance and support continue to drive the business forward.

Mr Kee received his Bachelor of Engineering from the University of Sheffield in July 1996 and a Master of Business Administration (International Business) from the University of Sheffield in February 2000.

MR LIANG SHIAN ON

Mr Liang Shian On is the Non-Executive and Lead Independent Director and was appointed to the Board of Directors on 19 September 2023.

Mr Liang is presently a practising member registered with the Institute of Singapore Chartered Accountants ("ISCA") and Malaysia Institute of Accountants ("MIA") of Malaysia and an approved company auditor approved by the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") and Ministry of Finance in Malaysia. He is also a fellow member of the Chartered Association of Certified Accountants ("ACCA") in the United Kingdom.

Mr Liang joined Ernst & Young LLP ("EY") in 2008 and has acquired extensive and varied experience in the audit of companies in a wide range of industries, including real estate, property development, investments trading, health care, food & beverage, shipping, mining, trading, and manufacturing. Besides audit experience, Mr Liang has also been involved in public listing-related works, internal control reviews, due diligence reviews, and other financial accountancy-related consultancy works.

He left EY in May 2016 to start his professional audit practice, S.O. Liang & Co., in Singapore and Malaysia.

BOARD OF DIRECTORS

During these years in practice, Mr Liang has undertaken audit and assurance engagements in Singapore and Malaysia. His clients include entities of varying sizes and from different industries.

Mr Liang obtained a Diploma in Business Administration in December 1999 from the Association of Business Executives. Mr Liang also earned Diplomas in Accounting and Cost Accounting in 1996 from the London Chamber of Commerce & Industry.

DR ONG SEH HONG

Dr Ong Seh Hong is the Non-Executive and Independent Director and was appointed to the Board of Directors on 19 September 2023.

Dr Ong is a practising senior consultant psychiatrist at Khoo Teck Puat Hospital in Singapore. Before this, Dr Ong was with the Ren Ci Hospital & Medicare Centre and Ren Ci Community Hospital from 2000 to 2009, with his last position as clinical director and Chief Operating Officer. He was also with the Government of Singapore Investment Corporate Pte Ltd (now known as GIC Private Limited) from 1997 to 1999, with his last position being Vice President (Corporate Services) of GIC Special Investments Pte Ltd (a direct investment and private equity arm of GIC Private Limited). He was a Member of Parliament from 2001 to 2011.

Dr Ong is currently serving as the independent non-executive chairman of Hock Lian Seng Holdings Ltd and an independent Econ Healthcare (Asia) Ltd director, both listed on the SGX-ST. Dr Ong was awarded the Public Service Medal (PBM – Pingat Bakti Masyarakat) conferred by the Prime Minister's Office of the Republic of Singapore in 2001.

Dr. Ong graduated from the National University of Singapore with a Bachelor of Medicine & Bachelor of Surgery (MBBS) in November 1987 and a Master of Science (Applied Finance) in July 1999.

BOARD OF DIRECTORS

MR TAN KHENG SOON

Mr Tan Kheng Soon is the Non-Executive and Independent Director and was appointed to the Board of Directors on 19 September 2023.

Mr Tan is currently serving as a director of Ease Engineering Consultancy Pte. Ltd. He oversees the running of the company, which provides civil and structural consultancy services, including undertaking the structural design of the foundation and superstructure of buildings. He takes on building projects as a qualified person under the Building Control Act 1989.

Mr Tan started his engineering career as a Government Engineer with the-then Public Works Department in the Ministry of National Development in 1989. He was appointed Vice President at CPG Corporation from 1999 to 2003 and as a director at PM Link Pte. Ltd. from 2003 to 2007. He established his engineering practice in 2007 and founded Ease Engineering Consultancy Pte Ltd in 2015.

In his 30 years of engineering practice, he has acquired a wide range of experience in civil and structural engineering projects and project management in institutions, offices, and residential and environmental developments in Singapore and overseas.

Mr Tan graduated from the National University of Singapore with a Bachelor of Engineering in June 1988 and a Master of Science (Building Science) in July 1992.

MS TAN YUNI

Ms Tan Yuni is the Non-Executive Director and was appointed to the Board of Directors on 19 September 2023.

Ms Tan is a Senior Fund Accountant at Hines Singapore, working on a fund portfolio of Japanese and Korean assets. Before this, she was an auditor with KPMG LLP from 2015 to 2018, working with real estate and property development clients. She was also with ESR Group from 2018 to 2020 and 8M Real Estate Holdings from 2020 to 2022 as a Senior Fund Accountant. Her experience includes reviews of internal controls, due diligence, financial statements, and investor reports.

She obtained her Bachelor of Commerce (Accounting & Commercial Law) from the University of Auckland in 2015.

KEY EXECUTIVES

MR LEE TIANG SOON

Mr. Lee Tiang Soon is the Group's Chief Financial Officer and oversees the Group's finance, treasury, reporting, budgeting, forecasting, and internal accounting functions. Mr Lee joined the Group on 1 November 2022 and has more than 20 years of experience in accounting and finance.

Before joining the Group, Mr Lee worked at Ernst & Young LLP between May 1996 and May 2003 as a manager. During this period, he was responsible for the audits assigned to him and the audit teams working on his engagements with his responsibilities, including covering audits of clients in various industries. Mr Lee joined a corporate advisory firm in May 2003, engaging in insolvency and advisory services and left in April 2008 with his last position as associate director. From April 2008 to Oct 2018, Mr Lee served as the executive director of CW Group Holdings Limited, a company listed on the Main Board of the Stock Exchange of Hong Kong. He was also the chief financial officer for Zheng Li Holdings Limited (now known as Zhongshi Minan Holdings Limited), listed on the GEM Board of The Stock Exchange of Hong Kong from January 2016 to May 2019.

Mr. Lee graduated with a Bachelor of Commerce degree in February 1996 from Murdoch University. He is a member of CPA Australia and a non-practising member of the Institute of Singapore Chartered Accountants (formerly known as the Institute of Certified Public Accountants of Singapore).

KEY EXECUTIVES

MS KOW YUEN TENG JOCELYN

Ms Kow Yuen Teng Jocelyn currently serves as the Deputy Regional Director and oversees business development activities for the Group in the Asia Pacific region. Ms Kow has joined the Group since 4 January 2021 and has about six years of experience in Account Management, Business Strategy planning, Sales, and Marketing.

Ms Kow graduated with a Bachelor of Engineering (Honours) in Engineering Systems and Design from the Singapore University of Technology and Design in 2015.

Ms Kow started her career in Process Excellence and ISO9001 Quality System management at Keppel FELS Limited, where she was responsible for identifying and solving cross-functional pain points in the organisation through performing periodic ISO9001 internal audits. She is also responsible for the upkeep of the organisation's ISO 9001 Quality Management System. Between June 2018 and December 2020, Ms Kow joined the Marketing and Business Development Department at Keppel FELS Limited as a Marketing Executive. She was responsible for customer engagement, account management, sales, and marketing. Later, Ms Kow was promoted to Assistant Business Development Manager with a team of three executives under her care. She was involved in re-branding and business strategy planning for the organisation. Ms. Kow left Keppel FELS Limited in December 2020 and joined the Group as a business development manager covering the Taiwan, Japan, and South Korea regions.

FINANCIAL REVIEW

REVIEW OF FINANCIAL PERFORMANCE

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

REVENUE

Revenue for both 2H2023 and FY2023 were higher than the previous corresponding periods by US$12.7 million compared to 2H2022, and US$19.8 million compared to FY2022, respectively.

Revenue from the provision of human resource segment increased by US$12.7 million for 2H2023 and by US$19.5 million for FY2023. The increases are mainly due to the increase in projects secured as well as the number of personnel provided for existing projects primarily in Taiwan.

Revenue from the ancillary services segment remained comparable for 2H2023 and increased by US$0.3 million for FY2023, mainly in line with the increase in personnel deployed for new and existing projects in Taiwan for in FY2023.

COST OF SALES

Cost of sales increased by US$7.9 million for 2H2023 and by US$13.3 million for FY2023. The increase is mainly in line with the increase in revenue.

GROSS PROFIT

Gross profit increased by US$4.8 million for 2H2023 and US$6.5 million for FY2023 mainly due to an increase in projects secured, the number of personnel provided for existing projects as well as a project that has a higher gross profit margin primarily in Taiwan.

ADMINISTRATIVE EXPENSES

Administrative expenses increased by US$1.2 million or 173.0% for 2H2023, and US$1.6 million or 135.4% for FY2023. The increase is mainly attributable to increased professional fees for accounting, tax and secretarial services, expenses for the Listing, salaries and related expenses due to the full focus of director on renewable energy compared to allocation of cost to oil and gas, travelling expenses and Taiwan salaries and related costs and operational expenses due to business expansion.

FINANCE COSTS

Finance costs increased by US$15,838 during 2H2023 and US$15,388 for FY2023. The increase is mainly due to an increase of lease liabilities and finance costs in connection with new borrowings.

OTHER GAINS (LOSSES)

Other gains (losses) increased by US$10,437 for 2H2023, and US$7,762 for FY2023. The increase is mainly attributable to an increase in exchange loss from the effect of the weakening of the USD *vis-à-vis* the IDR and SGD on IDR-denominated and SGD-denominated liabilities recorded by Group entities. This is partially offset by the exchange gain from the effect of the strengthening of the EUR *vis-à-vis* the USD in connection with USD-denominated liabilities recorded by entity within the Group.

INCOME TAX EXPENSE

Income tax expense increased by approximately US$1.2 million for both 2H2023, and FY2023 mainly due to the increase in chargeable income.

PROFIT FOR THE FINANCIAL YEAR

As a result of the above, the profit attributable to owners of the Company for 2H2023 was approximately US$2.0 million as compared to a loss of US$0.3 million in 2H2022. The profit attributable to owners of the Company for FY2023 was approximately US$3.5 million while the loss in FY2022 was US$0.2 million.

For FY2023, excluding the effects of listing and associated expenses of US$649,640, the profit attributable to owners of the Company for FY2023 would have been US$4,115,125.

FINANCIAL REVIEW

STATEMENT OF FINANCIAL POSITION

CURRENT ASSETS

As at 30 June 2023, our current assets of US$11.7 million consist of mainly cash and cash equivalents and trade and other receivables.

Our trade and other receivables consisted mainly of trade receivables from third parties of US$3.3 million and unbilled receivables of US$3.9 million which relate to human resource and ancillary services provided but yet to be billed. Trade receivables and other receivables increased by US$5.2 million from US$2.9 million as at 30 June 2022 to US$8.1 million as at 30 June 2023 mainly due to attributable to the increase in number of projects and personnel supplied.

NON-CURRENT ASSETS

Non-current assets consist mainly office equipment and right-of-use asset.

CURRENT LIABILITIES

Current liabilities mainly comprise of trade and other payables, amount due to related companies, borrowing and income tax payable.

Trade and other payables consisted mainly of trade payables to third parties of US$1.3 million, accrued crew salaries of US$2.1 million, accrued non-trade expenses of US$0.9 million and other payables of US$0.5 million.

Income tax payable relates to corporate tax payable by the Taiwan branch.

STATEMENT OF CASH FLOWS

The Group's cash and cash equivalents was US$3.6 million as at 30 June 2023, as compared to US$0.8 million as at 30 June 2022.

NET CASH GENERATED FROM OPERATING ACTIVITIES

Net cash generated from operating activities of US$2.1 million, comprising mainly operating cash inflows before working capital changes of US$4.9 million and net working capital outflows of US$2.8 million. The net working capital outflow of US$2.8 million was due to the following:

(i) an increase in trade and other receivables of US$7.9 million mainly attributable to and in line with the increase in revenue for the year;

partially offset by:

(ii) an increase in trade and other payables of US$5.1 million mainly arising from an increase in accrued crew salaries from increased personnel provided to clients; and

(iii) a decrease in amount due from related companies of US$47,179.

NET CASH USED IN INVESTING ACTIVITIES

Net cash used in investing activities amounted to US$40,029, which was mainly attributable to the placement of pledged deposit and, the purchase of equipment and intangibles.

NET CASH GENERATED FROM FINANCING ACTIVITIES

Net cash generated from financing activities amounted to US$0.8 million, which was mainly attributable to proceeds from borrowings of US$0.8 million, issuance of shares US$0.3 million, and advances from related companies of US$0.2 million. This was partially offset by repayment of advances from related company of US$0.1 million and repayment of borrowings of US$0.3 million.

CORPORATE GOVERNANCE

Sheffield Green Ltd. (the "**Company**") was listed on the Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 30 October 2023 ("**Listing Date**").

The Board of Directors (the "**Board**") and management are committed to ensure that high standards of corporate governance are practiced throughout the Company and its subsidiaries (the "**Group**"), as a fundamental part of its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

This report outlines the Group's corporate governance practices that were in place during the financial year ended 30 June 2023 ("**FY2023**") with specific reference made to the Principles of Code of Corporate Governance 2018 ("**Code 2018**") and the disclosure guide developed by SGX-ST in January 2015 (the "**Guide**") and the new requirements implemented by the SGX-ST taking into effect from 11 January 2023, where applicable to the Company. The Group strives to comply with the provisions set out in Code 2018 and the Guide and where it has deviated from the Code 2018 and/or the Guide, appropriate explanations are provided.

The Group also ensures that all applicable laws, rules and regulations including the Securities and Futures Act 2001 of Singapore ("**Securities and Futures Act**") and the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") are duly complied with.

Provision	Code Description	Company's Compliance or Explanation
General	(a) Has the Company complied with all the principles and provisions of the new Code?	The Company has complied with the principles and provisions as set out in Code 2018 and the Guide, where applicable.
	If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	Appropriate explanations have been provided in the relevant sections below where there are deviations from Code 2018 and/or the Guide.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the provisions of the Code?	Not applicable. The Company was listed on 30 October 2023 and did not adopt any alternative corporate governance practices.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
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.***		
1.1	**Directors' duties and responsibilities**	All Directors objectively discharge their duties and responsibilities as fiduciaries and take decisions in the best interests of the Group at all times. The Board puts in place a code of conduct and ethics, set desired organisational culture and ensures proper accountability within the Group. The Board has clear policies and procedures for dealing with conflicts of interest. Where the Director faces a conflict of interest, he or she would recuse himself or herself from discussions and decisions involving the issues of conflict. The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board oversees the management of the Company (the "**Management**") and affairs of the Group's business and oversees processes for evaluating the adequacy and effectiveness of the Group's internal controls and risk management systems. It focuses on the strategies and policies, with particular attention paid to growth and financial performance. The Board works with the Management to achieve this and the Management remains accountable to the Board. Each individual Director has objectively discharged his duties and responsibilities at all times as fiduciaries in the interests of the Company.

CORPORATE GOVERNANCE

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>As at the date of this Report, the Board comprises of five (5) members as follows:

<table>
<tr><th colspan="3">Table 1.1 – Composition of the Board</th></tr>
<tr><th>Name of Director</th><th>Designation</th><th>Date of Appointment</th></tr>
<tr><td>Mr. Kee Boo Chye (“Mr. Kee”)</td><td>CEO, Chairman and Executive Director</td><td>4 October 2021</td></tr>
<tr><td>Mr. Liang Shian On (“Mr. Liang”)</td><td>Lead Independent Director</td><td>19 September 2023</td></tr>
<tr><td>Dr. Ong Seh Hong (“Dr. Ong”)</td><td>Independent Director</td><td>19 September 2023</td></tr>
<tr><td>Mr. Tan Kheng Soon (“Mr. Tan”)</td><td>Independent Director</td><td>19 September 2023</td></tr>
<tr><td>Ms. Tan Yuni (“Ms. Tan”)</td><td>Non-Executive Director</td><td>19 September 2023</td></tr>
</table></td></tr>
<tr><td>1.2</td><td>Induction, Training and Development</td><td>The Company provides a comprehensive orientation programme to familiarise new Directors with the Company’s businesses, accounting control policies, procedures and internal control policies and procedures, including an overview of the written policies and procedures in relation to the financial, operational and compliance controls; as well as the Group’s history, core values, strategic direction and industry-specific knowledge so as to assimilate them into their new roles. New directors will also meet with the Management team to gain a better understanding of the Group’s business operations.

Mr. Kee, Mr. Liang, Mr. Tan and Ms. Tan who do not have prior experience as a director of a public listed company in Singapore will attend the relevant training courses organised by the Singapore Institute of Directors pursuant to Catalist Rule 406(3)(a) and Practice Note 4D of the Catalist Rules within one year from the date of their appointment, as well as other courses relating to accounting, legal and industry-specific knowledge, where appropriate, organised by other training institutions, in connection with their duties, and such trainings will be funded by the Company.</td></tr>
</table>

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		The Directors are updated regularly when there are changes to the Catalist Rules, Code of Corporate Governance, insider trading and the key changes in the relevant regulatory requirements and international financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or Board Committees members. New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors will be circulated to the Board by the Company Secretary. The Directors are encouraged to attend seminars and training to update themselves in the discharge of Directors' duties and responsibilities, at the expense of the Company. Changes to regulations and accounting standards are monitored closely by the Management. At the first Audit Committee Meeting held in December 2023, the external auditors ("**EA**") also briefed the Audit Committee ("**AC**") and the Board on changes and amendments to the accounting standards. In addition, the Management will regularly update and familiarise the Directors on the business activities of the Company during Board and Board Committees' meetings.
1.3	**Matters reserved for the Board**	The Board will decide and approve matters and transactions that require the Board's approval which include, among others, the following: • release of results announcements; • annual report and financial statements; • annual budgets and financial plans of the Company; • business, strategy and capital expenditure budgets; • convening of shareholders' meetings, circulars to shareholders and related announcements to be submitted to the SGX-ST; • overall corporate strategy and changes to the corporate structure;

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		• acquisitions, investments and disposals of assets exceeding a certain threshold; • share issuances; • recommendation/declaration of dividends; • appointment of Directors and key executives, Company Secretary of the Company and terms of reference for the Board Committees; • review of Directors and key executives' performance and remuneration packages; • interested person transactions; • material regulatory matters or litigation; and • compliance matters associated with the Catalist Rules, Securities and Futures Act or other relevant laws and regulations.
1.4 and Rule 406(3)(e) of the Catalist Rules	**Board Committees**	To assist in the execution of its responsibilities, the Board is supported by three board committees, namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively "**Board Committees**"). As the Board retains ultimate responsibility on all decisions, all matters discussed at the Board Committee meetings are presented and reported to the Board for approval prior to its implementation. The Board Committees function within clearly defined terms of reference and operating procedures, and they also play an important role in ensuring good corporate governance in the Company and within the Group. The terms of reference of the Board Committees will be reviewed by the Board on a regular basis to enhance the effectiveness of these Board Committees. The terms of reference of the respective Board Committees, as well as other relevant information on the Board Committees, can be found in the subsequent sections, of this Report.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		The compositions of the Board Committees as at the date of this Report are as follows:

Table 1.4 – Composition of the Board Committees

	AC	NC	RC
Chairman	Mr. Liang Shian On	Dr. Ong Seh Hong	Mr. Tan Kheng Soon
Member	Dr. Ong Seh Hong	Mr. Tan Kheng Soon	Mr. Liang Shian On
Member	Mr. Tan Kheng Soon	Ms. Tan Yuni	Ms. Tan Yuni

Notes:

(1) The AC comprised three (3) members, all of whom (including the Chairman) are independent.

(2) The NC comprised three (3) members, the majority of whom (including the Chairman) are independent.

(3) The RC comprised three (3) members, the majority of whom (including the Chairman) are independent.

Provision	Code Description	Company's Compliance or Explanation
1.5	**Board and Board Committees meetings**	The Board will meet at least half-yearly, and on an ad-hoc basis, if required, as deemed appropriate by the Board members, to review and discuss the performance of the Group, to approve the half-year and full-year results announcements as well as to oversee the business affairs of the Group. The calendar of all the Board and Board Committees meetings are scheduled in advance. The Board is free to seek clarification and information from the Management on all matters within their purview. Ad-hoc meetings are convened as may be necessary to address any specific significant matters that may arise. The Constitution of the Company and terms of reference for each individual Board Committee allow the Directors to participate in Board and Board Committees meetings to be held by means of telephonic, video conferencing or other communication facilities to communicate with each other simultaneously and instantaneously. Important matters concerning the Group are also put to the Board for its decision by way of written resolutions.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		The Company was listed on the SGX-ST on 30 October 2023, after its financial year ended 30 June 2023 ("FY2023"). After the Listing and as at the date of this Report, the Company held its first Board and Board Committees meeting on 13 December 2023 to discuss, among others, the financial performance of the Group and the unaudited financial results announcement of the Group for FY2023, and presentation of business updates. During 2023, the number of Board and Board Committee meetings held and the attendance of each Board member at the said meetings are set out below: (see Table 1.5 below)
	Multiple board representation	Directors with multiple Board representations would ensure that sufficient time and attention are given to the affairs of the Company. Directors with multiple Board representations would ensure that sufficient time and attention are given to the affairs of the Company.

Table 1.5 – Attendance of Board and Board Committees

	Board	**AC**	**NC**	**RC**
Number of Meetings Held	1	1	1	1
Name of Directors	**Number of Meetings Attended**			
Mr. Kee Boo Chye	1	1*	1*	1*
Mr. Liang Shian On	1	1	1*	1
Dr. Ong Seh Hong	1	1	1	1*
Mr. Tan Kheng Soon	1	1	1	1
Ms. Tan Yuni	1	1*	1	1

* *By Invitation*

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
1.6	**Board information**	The Management provides the Board with key information that is complete, adequate and in advance prior to meetings and on an on-going basis to enable the Directors to make timely decisions, effectively discharge their duties and make a balanced and informed assessment of the performance, position and prospects of the Company. Key information comprises, among others, properly organised board papers (with background or explanatory information relating to the matters brought before the Board, where necessary), updates to Group operations and the markets in which the Group operates in, budgets and/or forecasts, management accounts, external audit reports and reports on ongoing or planned corporate actions. Where the situation requires, Directors are entitled to request for additional information from Management and such information are provided to the Directors in a timely manner.
1.7	**Board's access**	The Board has separate and independent access to the Senior Management team, external advisers (where necessary) at the Company's expense and the Company Secretary at all times. The Company Secretary and/or his/her representative(s) attend(s) all Board and Board Committees meetings. The responsibilities of the Company Secretary include advising the Board on governance matters, facilitating the process of appointment of new Directors and assisting the Chairman of the Board in ensuring information flows within the Board and its Board Committees and between the Management and the Directors. The Company Secretary will also provide the Board with updates on regulations and legislations that the Company is required to comply with, as required. The appointment and removal of the Company Secretary is to be decided by the Board as a whole.

CORPORATE GOVERNANCE

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3">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.</td></tr>
<tr><td>2.1 and Rule 1204(10B) of the Catalist Rules 406(3)(d)</td><td>Board composition – independence and diversity</td><td>As at the date of this Report, the Company is in compliance with Provision 2 of Code 2018.

The Board comprises 5 members, out of which one (1) is an Executive Director, three (3) are Independent Directors and one (1) is a Non-Executive Director. Independent Directors and Non-Executive Director(s) make up majority of the Board. Also, the Chairman and members of all board committees consist of Independent Directors only.

Mr. Kee Boo Chye – CEO, Chairman and Executive Director
Mr. Liang Shian On – Lead Independent Director
Dr. Ong Seh Hong – Independent Director
Mr. Tan Kheng Soon – Independent Director
Ms. Tan Yuni – Non-Executive Director

The Board assesses the independence of each Director in accordance with the guidance provided in Code 2018 as well as Rule 406(3)(d) of the Catalist Rules. An Independent Director is one who is independent in conduct, character and judgement and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his/her independent business judgement in the best interests of the Company.

On an annual basis, each Independent Director is required to complete a "Confirmation of Independence" form to confirm his/her independence. The said form was drawn up based on the definitions and guidelines set forth in the Code 2018. The Directors are required to disclose to the Board any such relationship as and when it arises, and the Board will state the reasons if it determines that a director is independent notwithstanding the existence of a relationship or circumstances which may appear relevant to the Board's determination.</td></tr>
</table>

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		The NC will also examine the different relationships identified by Code 2018 that might impair each Independent Director's independence and objectivity and conclude that all the Independent Directors are able to exercise independent business judgement in the best interests of the Company and its shareholders. The Independent Directors have confirmed their independence in accordance with the Code 2018 and Rule 406(3)(d) of the Catalist Rules. The NC is of the view that the Independent Directors, as a whole, represent a strong and independent element on our Board which is able to exercise objective judgement on corporate affairs independently from the non-independent and executive director(s). As at the date of this Report, the NC has reviewed the independence status of the Independent Directors and is satisfied that Mr. Liang, Dr. Ong and Mr. Tan are independent in accordance with the Provision 2.1 of the Code 2018 and Rule 406(3)(d) of the Catalist Rules. Each member of the NC has abstained from deliberations in respect of the assessment of his/her own independence.
	Independent Directors serving beyond nine years	There is currently no Independent Director who has served on the Board for more than nine years.
2.2	**Independent Directors**	The Company has three (3) Independent Directors. The Company complies with the Code as while the Chairman is not independent, Independent Directors currently make up a majority of the Board. As at the date of this Report, the Board comprises one (1) Executive Director, three (3) Independent Directors and one (1) Non-Executive Director.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		Mr. Liang has also been appointed as the Lead Independent Director of the Company and makes himself available to shareholders if they have concerns relating to matters that contact through the Chairman, CEO and/or Chief Financial Officer ("**CFO**") has failed to resolve, or where such contact is inappropriate or inadequate. The Lead Independent Director makes himself available to shareholders at the Company's general meetings and he can be contacted via email. The Lead Independent Director has the authority and is responsible to call and lead meetings of the Independent Directors, when necessary and appropriate. Led by the Lead Independent Director, the Independent Directors will communicate regularly without the presence of the Executive Director(s) and Management to discuss matters such as board processes, corporate governance initiatives, succession and leadership development planning, and remuneration matters. Feedback on the outcomes of these discussions will be provided to the Chairman and/or the Board after such meetings. The Lead Independent Director also acts as a sounding board to the CEO on matters of business strategies and investment opportunities of the Company. The Lead Independent Director will represent the Independent Directors in responding to shareholders' questions and comments that are directed to the Independent Directors as a group and at General Meetings of the Company.
2.3	**Non-Executive Directors**	To facilitate a more effective review of Management, the Non-Executive Director(s) will communicate with the Independent Directors, on an ad-hoc basis without the presence of the Management and Executive Director(s) to discuss Management's performance and any matters of concern. The Company complies with Provision 2.3 of the Code 2018 as the Non-Executive Director(s) and the Independent Directors make up a majority of the Board.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
2.4	**Board size and diversity**	The size and composition of the Board and Board Committees are reviewed at least annually, to ensure that the Board and the Board Committees have the appropriate mix of expertise, skills, knowledge, experience and gender diversity to enhance stewardship and decision-making capabilities. The Board is committed to ensuring diversity on the Board and Board Committees including but not limited to appropriate balance and mix of skills, knowledge, experience, gender, age, tenure and the core competencies of accounting, finance, legal and regulatory, business or management experience, industry knowledge, technical skills and know-how and strategic planning, to better support the Company's achievement of its strategic objectives, long-term sustainable development, success in an ever-evolving operating environment and to avoid groupthink and foster constructive debate. The Company's Board Diversity Policy ("**Policy**") was approved by the Board and addresses diversity in terms of experience, skills, gender, age, tenure, and qualities, as well as any other relevant aspects of diversity. The Policy sets out the approach and framework which the Company applies to determine the targets, plan and timeline to ensure diversity on its Board, in consideration of its own unique requirements within its industry, domain and strategic objectives. The NC and the Board review and determine the targets, plans, timeline as well as progress being made thereof towards achieving each of the Board diversity aspect, where applicable, on an annual basis or as and when circumstances require, taking into consideration how the combination of attributes, skills and expertise of directors can continue to complement and enhance the efficacy and serve the current and future needs of the Company.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		As at the date of this report, the Board comprises four (4) male Directors and one (1) female Director, which accounts for a 20% female representation. The Board also includes 1 Director with prior listed company, risk management and corporate governance experience, across age groups of 20's, 40's, 50's and 60's. Each director has been appointed based on the strength of his or her calibre, experience, grasp of corporate strategy and potential to contribute to the Company and its businesses. The Board provides diversity of expertise and knowledge in areas such as accounting & finance, medical, engineering, leadership & strategic planning, business management, capital markets and industry knowledge. The Board, in concurrence with the NC, is of the view that the Board and the Board Committees possess the necessary balance and mix of skills, competencies and experiences and individual attributes for effective decision making. In consideration of the above, the Board and the NC are of the view that the current number of five (5) Directors is adequate, given the Company's current stage of growth and the current composition of the Board and Board committees is appropriate and effective, given the scope and nature of the Company's operations and current expansion plans. No individual or small group of individuals dominates the Board's decision-making. As the Company's activities continue to grow, the NC will continuously review the composition of the Board so that it will have the necessary competency to be effective. The NC will further consider other aspects of diversity, such as gender, business experience, industry discipline, ethnicity and other distinguishing qualities, and assist the Board in putting in place a board diversity policy and progress for implementation of such policy. The key information of the Directors are set out in pages 6 to 8 of this annual report and their shareholdings in the Company are also disclosed in the Directors' Statement on page 71.

CORPORATE GOVERNANCE

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>2.5</td><td>Regular meetings for Independent and Non-Executive Directors</td><td>Where appropriate, the Independent and Non-Executive Directors will meet periodically without the presence of the Executive Director(s) to discuss concerns or matters such as the effectiveness of the Management and provides feedback to the Board, as appropriate, after such meetings. Independent Directors fulfil a pivotal role in corporate accountability. Their presence is particularly important as they provide unbiased and independent views, advice and judgement to take care of the interests, not only of the Company but also of the shareholders, employees, customers, suppliers and the many communities with which the Company conducts business with.</td></tr>
<tr><td colspan="3">Chairman and Chief Executive Officer
Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered power of decision-making.</td></tr>
<tr><td>3.1, 3.2 and 3.3</td><td>Separation of the roles of Chairman and CEO</td><td>Mr. Kee is the Chairman, CEO and Executive Director. The Company has also appointed Mr. Liang as the Lead Independent Director.

Mr. Kee and Mr. Liang are not related to each other and do not have any business relationship with each other.

In respect of Principle 3 of the Code, the Board is of the view that there is compliance with the said principle as the Group's compliance manual ("Compliance Manual"), as reviewed by the Internal Auditors, sets out the clear division of responsibilities of the Board and management, that "Every Group should be headed by an effective Board to lead and control the Group. The Board is collectively responsible for the long-term success of the Group. The Board works with Management to achieve this objective and Management remains accountable to the Board.", and further specifically mandates that "There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Group's business.".</td></tr>
</table>

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		In respect of Provision 3.1 of the Code, the Compliance Manual states that "The Chairman and the CEO should in principle be separate persons, where possible, except where the Board believes that vesting the roles of both Chairman and CEO in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of our Group and considers that the balance of power and authority for the such arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively.". In that regard, while Mr. Kee is both the Chairman and the CEO in contrast with Provision 3.1 of the Code, the Board is of the view that vesting both roles in Mr. Kee benefits the Group by "ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of our Group and considers that the balance of power and authority for the such arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively." for the reasons previously given. The Board is of the view that it is not necessary to separate the roles of the Chairman and the CEO, after taking into consideration the size, scope and the nature of the operations of the Group. Mr. Kee has been with the Group since its establishment and has played an instrumental role in developing the Group's business. He has considerable industry experience and business network and has also provided the Group with strong leadership and vision.

CORPORATE GOVERNANCE

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>In addition, there are sufficient safeguards and checks in place to ensure that management is accountable to the Board as a whole as Mr. Kee is not a member of the audit, nomination or remuneration committees. Also, three of the five board members are Independent Directors. As the Chairman and CEO of the Company, Mr. Kee is in charge of the management and day-to-day operation of the Group. He is also responsible for developing the overall strategic directions of the Group, as well as the business strategies and policies of the Group.

The Board of the Company will continually review the single leadership structure and whether it will be necessary to separate such roles in future, including where the business of the Company is scaled up.</td></tr>
<tr><td colspan="3">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.</td></tr>
<tr><td>4.1</td><td>Nominating Committee ("NC") role</td><td>The NC is guided by key terms of reference approved by the Board as follows:

(a) reviewing and recommending the nomination or re-nomination of the Directors having regard to each Directors' contribution and performance and ability to commit sufficient time, resources and attention to the affairs of the Group;

(b) developing and maintaining a formal and transparent process for the selection, appointment and re-appointment of directors (including alternate directors, if any), taking into account the need for progressive renewal of the Board;

(c) establish guidelines on what a reasonable and maximum number of such directorships and principal commitments for each director (or type of director) should be;

(d) ensure that the directors submit themselves for re-nomination and re-election at least once every 3 years;</td></tr>
</table>

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		(e) determining annually, and as and when circumstances require, whether or not a director is independent, in accordance with the CG 2018; (f) ensuring that the Board and Board committees comprise directors who, as a group, provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate; (g) deciding whether or not a Director of the Company is able to and has been adequately carrying out his duties as a Director; (h) reviewing and approving any new employment of persons related to Directors, Executive Officers or Controlling Shareholders and the proposed terms of their employment; (i) reviewing of board succession plans for Directors, in particular, the Chairman; (j) developing a process for evaluation of the performance of the Board, its committees and Directors; (k) reviewing training and professional developments programs for the Board; (l) where applicable, to continually review any single leadership structure where the Chairman and CEO are the same individual and whether it will be necessary to separate such roles in future, including where the business of the Company is scaled up; and (m) appointment and re-appointment of Directors (including alternate directors, if applicable).

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		The NC evaluates the performance and effectiveness of the Board as a whole, and each of the Board Committees and contribution of the Chairman and each individual Director to the effectiveness of the Board, for each financial year. The Chairman acts on the results of the performance evaluation of the Board of Directors, and in consultation with the NC, propose, where appropriate, new members to be appointed to the Board of Directors or seek the resignation of Directors. Each member of the NC is required to abstain from voting, approving or making a recommendation on any resolutions of the NC in which he/she has a conflict of interest in the subject matter under consideration.
4.2	**Nominating Committee composition**	The NC comprises two (2) Independent Directors and one (1) Non-Executive Director who have been tasked with the authority and responsibility to review and evaluate the performance of the Board as a whole and each of the Board Committees. The Chairman of the NC is Dr. Ong, who is an Independent Director. The composition of the NC is as follows: Dr. Ong Seh Hong (Chairman) Mr. Tan Kheng Soon Ms. Tan Yuni

CORPORATE GOVERNANCE

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td>4.3, 4.4 and Rule 720(4) of the Catalist Rules</td><td>Director appointment and re-appointment</td><td>The NC conducts an annual review of the balance, diversity and size of the Board to determine whether any changes are required in relation to the Board composition. Where new directors are required, the NC will identify the key attributes that an incoming director should have, which is based on a matrix of the attributes of the existing Board and the requirements of the Group. After the Board endorsed the key attributes, the NC taps on the resources of the Directors’ network and/or engage external professional bodies or consultants to source for potential candidates. The NC will interview the candidates and shortlisted candidates are recommended to the Board for consideration and approval.
<table>
<tr><th colspan="3">Table 4.3(a) – Selection and Appointment of New Directors</th></tr>
<tr><td>1.</td><td>Determine selection criteria</td><td>In consultation with the Board, identifies the current needs and gaps in the current competencies at the Board level and which could be enhanced to complement and strengthen the Board.

Determines the competencies required for the new appointment after such deliberation.</td></tr>
<tr><td>2.</td><td>Candidate search</td><td>Considers candidates proposed by the Directors, key management personnel and/or recommendations from professional bodies. The NC may also engage external search consultants where necessary.</td></tr>
<tr><td>3.</td><td>Assesses shortlisted candidates</td><td>Led by the NC Chairman, meets and interviews the shortlisted candidates to assess their suitability.</td></tr>
<tr><td>4.</td><td>Proposes recommendations</td><td>Makes recommendations for the Board’s consideration and approval.</td></tr>
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CORPORATE GOVERNANCE

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th colspan="3">Table 4.3(b) – Re-election of Incumbent Directors</th></tr>
<tr><td>1.</td><td>Assesses incumbent Director</td><td>• Assesses the performance of the Director in accordance with the performance criteria approved by the Board.
• Considers the current needs of the Board.</td></tr>
<tr><td>2.</td><td>Proposes re- appointment of Director</td><td>• Recommends the re-appointment of the Director to the Board for its consideration and approval, subject to its satisfactory assessment.</td></tr>
</table>
After reviewing and considering the NC's recommendations, the Board would make the decision to appoint the new Director and/or propose the re-election of the incumbent Director for shareholders' approval, subject to the Director's consent to act.
Pursuant to Rule 720(4) of the Catalist Rules, all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. Pursuant to Regulation 104 of the Company's Constitution, at each AGM, at least one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) for the time being are required to retire by rotation and submit themselves for re-election at each annual general meeting of the Company at regular intervals and at least once every three (3) years. In addition, pursuant to Regulation 108 of the Company's Constitution, new Directors appointed during the financial year, either to fill a casual vacancy or as an additional Director, are required to submit themselves for re-election at the next AGM (who shall not be taken into account in determining the number of directors who are to retire by rotation at such AGM).
</td></tr>
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CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		On the nomination of re-election of retiring Directors, the NC would assess the performance and contribution of the Director and subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the Directors to the Board for its consideration and approval. The NC, with the respective Director interested in the discussion having abstained from the deliberations, recommended that Mr. Liang, Dr. Ong, Mr. Tan and Ms. Tan ("**Retiring Directors**") to be nominated for re-election pursuant to Regulation 108 at the forthcoming Annual General Meeting ("**AGM**"). The Retiring Directors have offered themselves for re-election at the forthcoming AGM. The Board had accepted the NC's recommendation and had tabled for shareholders' approval at the forthcoming AGM, the Retiring Directors be nominated for re-election as Directors of the Company. Please refer to the Notice of AGM for the resolutions put forth in relation to the respective re-election and details of the Retiring Directors including the information required under Appendix 7F of the Catalist Rules are disclosed in pages 145 to 152 of this annual report. Mr. Liang Shian On will, upon re-election as a Director, remain as the Lead Independent Director of the Company. Dr. Ong Seh Hong will, upon re-election as a Director, remain as the Independent Director of the Company. Mr. Tan Kheng Soon will, upon re-election as a Director, remain as the Independent Director of the Company. Ms. Tan Yuni will, upon re-election as a Director, remain as the Non-Executive Director of the Company. The NC also conducts an annual review of the independence of the Director(s) having regard to the circumstances set forth in Provision 2.1 of the Code 2018 and Rule 406(3)(d) of the Catalist Rules. Sufficient information will accompany all resolutions for the Director's appointment and re-appointment to enable the Board to make informed decisions.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
4.5	**Multiple Directorships**	The NC is responsible for reviewing the ability of Directors to devote sufficient time and attention to the affairs of the Company and in particular to take into account multiple directorships and significant principal commitments held by the Directors. The NC requires each Director to declare any new additional directorships or significant principal commitments during the year to enable the ongoing monitoring of the conflict of interests, time commitment, attendance and contributions of the Directors to the Company. At this moment, the Board has not imposed any limit as it is of the view that the number of directorships and principal commitments that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors. The NC also does not wish to omit from considering outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board. The NC and the Board is satisfied that the other directorships and principal commitments of the Directors had not hindered them from carrying out their duties as Directors of the Company and each of them is able to and has adequately carried out his/her duties as a Director of the Company since their appointments.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		The specific considerations in assessing the capacity of directors include: • Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity; • Geographical location of Directors; • Size and composition of the Board; • Nature and scope of the Group's operations and size; and • Capacity, complexity and expectations of the other listed directorships and principal commitments held. Currently, only one (1) of the Independent Director of the Company, being Dr. Ong, holds one other directorship in a public listed company in Singapore.
	Alternate Directors	The Company does not have any alternate 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 committees and individual directors.***		
5.1	**Performance criteria and process for evaluation of the effectiveness of the Board**	The NC is charged with carrying out an annual Board appraisal which requires each Director to complete assessment forms on assessing the performance and effectiveness of the Board as a whole, each of the Board Committees and the contribution by the Chairman and each individual Directors to the effectiveness of the Board.

CORPORATE GOVERNANCE

Provision	Code Description	Company’s Compliance or Explanation
		Table 5 sets out the performance criteria, recommended by the NC and approved by the Board, to evaluate the effectiveness of the Board as a whole and assess the contributions of each Director.

Table 5 – Performance Criteria

Board	Individual Directors
1. Size and composition	1. Commitment of time
2. Access to information	2. Knowledge and abilities
3. Board processes	3. Teamwork
4. Strategic planning	4. Independence and objectivity
5. Board accountability	5. Integrity
6. Succession planning	6. Overall effectiveness
7. Board effectiveness in its monitoring role and attainment of the strategic and long-term objectives	7. Track record in good decision making
8. Board Committees’ performance in relation to discharging their responsibilities set out in their respective terms of reference	8. Perspectives on competition
9. Board stewardship	

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
5.2	**Disclosure of assessment of the Board, Board Committees and each Director**	Completed assessment forms are returned by each Director and the Company Secretary collates the results, which are circulated to the NC for information and feedback. The summary of the assessment and any recommendations are then tabled for the Board's review and collective discussion by the Chairman of the NC to address or recommend any areas for improvement and follow-up actions. The appraisal process focuses on a set of performance criteria for the Board, Board Committees and individual Directors' assessment as highlighted in Table 5, communication with Key Management Personnel and the Directors' standards of conduct. The NC makes recommendations to the Board aimed at helping the Board to discharge its duties effectively. The Chairman of the Board acts on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of directors may be sought. The NC has full authority to engage an external facilitator to assist the NC to carry out the evaluation process, if the need arises. The NC has reviewed the overall performance of the Board, Board Committees and individual Directors and is satisfied that the Board as a whole and Board Committees have met the performance evaluation criteria and objectives and each Director has contributed effectively and demonstrated commitment to their respective roles, including commitment of time for the Board and Board Committee meetings and any other duties. All NC members have abstained from the voting or review of any matters in connection with the assessment of his/her performance or re-appointment as a Director of the Company. No external facilitator was used in the evaluation process.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
REMUNERATION MATTERS **Procedures for developing remuneration policies** ***Principle 6: There should be a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and Key Management Personnel. No director is involved in deciding his or her own remuneration.***		
6.1	**Remuneration Committee ("RC") role**	The RC is established for the purposes of ensuring that there is a formal and transparent process for fixing the remuneration packages of individual Directors and key executives and makes recommendations to the Board on all remuneration matters. The RC has a formal set of terms of reference approved by the Board. A summary of the RC's key responsibilities includes: (a) recommending to the Board a framework of remuneration for the Directors and key executives, and determine specific remuneration packages for the Executive Director; (b) reviewing the terms of performance-related remuneration scheme or incentive schemes (if any) and determining the eligibility criteria of the employees who can participate in such scheme; (c) ensuring the remuneration policies and systems of the Group, as approved by the Board, support the Group's objectives and strategies, and are consistently being administered and being adhered to within the Group; and (d) proposing, for adoption by the Board, measurable, appropriate and meaningful performance targets for assessing the performance of the key management personnel, individual directors and of the Board as a whole.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		The RC also periodically considers and reviews remuneration packages in order to maintain their attractiveness, to retain and motivate the Directors to provide good stewardship of the Company and key executives to successfully manage the Company, and to align the level and structure of remuneration with the long term-interests and risk policies of the Company. If a member of the RC has an interest in a matter being reviewed or considered by the RC, he/she will abstain from voting on the matter. None of the Directors or Executive Officer has any arrangement or understanding with any of the Substantial Shareholders, customers or suppliers or other person pursuant to which such Director or Executive Officer was appointed as a Director or as an Executive Officer.
6.2	**Remuneration Committee composition**	The RC comprises two (2) Independent Directors and one (1) Non-Executive Director who have been tasked with the authority and responsibility to determine and recommend Directors' and Key Management Personnel's remuneration packages for the Board's consideration and approval. The Chairman of the RC is Mr. Tan, who is an Independent Director. The composition of the RC is as follows: Mr. Tan Kheng Soon (Chairman) Mr. Liang Shian On Ms. Tan Yuni
6.3	**Termination clauses**	The RC will review and consider all aspects of remuneration including termination terms to ensure that they are fair and reasonable, and are not overly generous. There was no termination of any Director and Key Management Personnel during FY2023.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
6.4	**Remuneration experts**	The RC has access to expert professional advice on human resource matters whenever there is a need to consult externally. In its deliberations, the RC takes into consideration industry practices and norms in compensation, in addition to the Group's relative performance to the industry and the performance of the individual Directors and Executive Officers. The Company has not engaged any remuneration consultants for FY2023 and will continue to monitor the need to engage external remuneration consultants going forward and where applicable, will review the independence of the external consultants before any engagement.
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.***		
7.1 and 7.3	**Remuneration framework**	The Company advocates a performance based remuneration system for the Executive Director(s) and Key Management Personnel that is flexible and responsive to the market, comprising a base salary and other fixed allowances, as well as variable performance bonus structured so as to link rewards to the sustainable performance and value creation of the Company and aligned with the interests of the shareholders and other stakeholders. The Company has entered into a service agreement (the "**Service Agreement**") with the Chairman, CEO and Executive Director, namely, Mr. Kee. The Service Agreement is for an initial period of three years (the "**Initial Term**") commencing with effect from 9 September 2023, subject to renewal annually thereafter unless otherwise agreed in writing between the Company and the Director or terminated in accordance with the respective Service Agreement. During the Initial Term, the parties may terminate the respective service agreement by either party giving not less than nine (9) months' notice in writing to the other. The Group may also terminate the Service Agreement by notice upon the occurrence of certain events such as serious misconduct, bankruptcy or criminal conviction.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		The Service Agreement provides for compensation in the form of (a) fixed monthly salary and compulsory employer contribution to the pension funds account, (b) a fixed bonus in respect of each financial year of one (1) months' salary (payable at the end of each year), and (c) an incentive bonus to be decided by the Board or the Remuneration Committee after the accounts of the Group are audited for each financial year. Director's fees do not form part of the terms of the Service Agreement. Save as disclosed above, there are no existing or proposed service agreements between the Company, its subsidiaries and any of our Directors. There are no existing or proposed service agreements entered or to be entered into by our Directors with the Company or any of its subsidiaries which provide for benefits upon termination of employment. In determining such remuneration packages, the RC will ensure that they are adequate by considering, in consultation with the Chairman of the Board, the respective individual's responsibilities, skills, expertise and contribution to the Group's performance, and whether they are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent, without being excessively generous and be able to motivate the Directors to provide good stewardship of the Company and Key Management Personnel to successfully manage the Company for the long term.
7.2	**Non-Executive Director remuneration**	The RC has adopted a framework which consists of a base fee to remunerate Independent Directors and Non-Executive Directors, based on their appointments and roles in the respective Board Committees, taking into account the level of contribution and factors such as effort, time spent and responsibilities and the fees paid by comparable companies. Directors' fees are reviewed annually by the RC and tabled at the AGM for shareholders' approval. The Independent Directors have not been overcompensated to the extent that their independence is compromised.

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Provision	Code Description	Company's Compliance or Explanation
	Contractual provisions to reclaim incentives	The Company does not have and is of the view that there is presently no urgent need to initiate any contractual provisions in the terms of employment that allow for the reclaiming of incentive components from the Executive Director(s) and Key Management Personnel in the exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. The Executive Director(s) and Key Management Personnel owe fiduciary duties to the Company. Furthermore, the Company believes that there are alternative legal avenues to these specific contractual provisions that will enable the Company to recover financial losses arising from such exceptional events from the Executive Director(s) and/or Key Management Personnel.
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.***		
8.1	**Group's remuneration policy and criteria for setting remuneration**	The Group's remuneration policy (which covers all aspects of remuneration, including directors' fees, salaries, allowances and bonuses, grant of share options, and benefits-in-kind) is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and Key Management Personnel of the required experience and expertise. The policy articulates to staff the link that total compensation has to be the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market or the industry.

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Provision	Code Description	Company's Compliance or Explanation
		The remuneration package of Key Management Personnel comprises a base fixed cash component, including the base salary and compulsory employer contribution to the Key Management Personnel's employee pension funds account, and a fixed bonus in respect of each financial year of one (1) months' salary (payable at the end of each year). The variable cash component is dependent on a Key Management Personnel's ability to achieve the performance targets, both personal and that of the Group. This aligns the compensation of Key Management Personnel with that of the shareholders in terms of value creation. Key performance indicators for Key Management Personnel are aligned to the interests and value creation to all stakeholders. The Board believes that the current remuneration framework allows the Company to attract sufficiently qualified talent. For further details on the remuneration of Mr. Kee, please refer to provisions 7.1 and 7.3 and of this Corporate Governance Report. The Executive Director does not receive Director's fees.

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<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>8.1(a), 8.1(b) and 8.3</td><td>A breakdown showing the level and mix of each Director's and Key Management Personnel's remuneration</td><td>A breakdown, showing the level and mix of each individual Director's remuneration for FY2023 is as follows:
<table>
<tr><th colspan="6">Table 8.1(a) – Remuneration of Directors</th></tr>
<tr><th>Name</th><th>Base/Fixed Salary and Statutory Contributions</th><th>Bonus</th><th>Director's Fees#</th><th>Allowances/ Benefits</th><th>Total</th></tr>
<tr><td colspan="6">Remuneration Band S$250,001 to S$500,000</td></tr>
<tr><td>Mr. Kee Boo Chye[(1)]</td><td>86.89%</td><td>13.11%</td><td>–</td><td>–</td><td>100%</td></tr>
<tr><td colspan="6">Remuneration Band below S$100,000</td></tr>
<tr><td>Mr. Liang Shian On</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Dr. Ong Seh Hong</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Mr. Tan Kheng Soon</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Ms. Tan Yuni</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td></tr>
</table>
The Board has recommended the pre-approval of the aggregate Directors' fees of up to S$160,000 for the financial year ending 30 June 2024 (FY2023: S$0), payable half-yearly in arrears, which will be tabled for approval by Shareholders at the forthcoming AGM.
The NC recommends Directors' fees for the Board's endorsement and approval by shareholders at the Company's AGM and the fees are determined having regard to the scope and extent of the responsibilities and obligation to the Company. Directors' fees will be paid after approval is obtained from shareholders at the forthcoming AGM. </td></tr>
</table>

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<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>No Director is involved in deciding his/her own remuneration. Each RC member has abstained from participating in the deliberations of and voting on any resolution in respect of his/her remuneration package or that of employees related to him/her.

There were no termination, post-employment and retirement benefits granted to the Directors in FY2023 who were appointed after FY2023.</td></tr>
<tr><td></td><td>Remuneration of top 5 Key Management Personnel (who are not directors or CEO)</td><td>As at the date of this Report, the following are the Key Management Personnel of the Company:

(a) Mr. Lee Tiang Soon, Chief Financial Officer

(b) Ms. Jocelyn Kow Yuen Teng, Deputy Regional Director

The Company has 2 Executive Officers in FY2023 and as at the date of this Report.

The breakdown for the remuneration of the Company's Key Management Personnel (excluding Directors and the CEO) for FY2023, is as follows:

<table>
<tr><th colspan="5">Table 8.1(b) – Remuneration of Key Management Personnel</th></tr>
<tr><th>Name</th><th>Base/Fixed Salary and Statutory Contributions</th><th>Bonus</th><th>Allowances/ Benefit</th><th>Total</th></tr>
<tr><td colspan="5">Remuneration Band below S$250,000</td></tr>
<tr><td>Mr. Lee Tiang Soon</td><td>100%</td><td>–</td><td>–</td><td>100%</td></tr>
<tr><td>Ms. Jocelyn Kow Yuen Teng</td><td>67.49%</td><td>32.51%</td><td>–</td><td>100%</td></tr>
</table>

The Company believes that it should not disclose the remuneration paid to each of the Directors and Key Management Personnel in absolute amount due to the compact team, highly competitive market and in the interest of maintaining good morale and building teamwork within the Group.</td></tr>
</table>

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		For the same reason above, the aggregate total remuneration paid to the Key Management Personnel for FY2023 will not be disclosed. There were no termination and retirement benefits granted to Directors and Key Management Personnel during FY2023.
8.2	**Remuneration of employees who are substantial shareholders, immediate family members of Director, CEO or substantial shareholder**	There is no employee of the Group who is a substantial shareholder, an immediate family member of a Director, CEO or substantial shareholder during FY2023.
8.3	**Other payments and benefits and details of the employee share scheme(s)**	Save as disclosed, there are no other payments, compensation and benefits paid by the Group to the Directors and Key Management Personnel of the Company in FY2023. The Company has not adopted any share option plan or performance share plan.
ACCOUNTABILITY AND AUDIT **Risk Management and Internal Controls** ***Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of Risk Management and internal controls, to safeguard the interests of the Company and its shareholders.***		
9.1 and Rule 719(3) of the Catalist Rules	**Risk governance**	The Board is responsible for the overall governance of the risk management of the Company, establishing risk management policies and tolerance strategies that set the direction for the Group and overseeing the implementation of risk management framework to ensure that risks are identified and managed. The Board with the support of the AC, oversees the design, implementation and monitoring of the risk management and internal control systems.

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Provision	Code Description	Company's Compliance or Explanation
	Annual review	The Management, the internal auditor and the external auditor, Deloitte & Touche LLP ("**Deloitte**") conduct audits on a annual basis that involve testing the adequacy and effectiveness of material internal controls on key risks. Any material non-compliance or lapses in internal controls and its corresponding mitigating actions will be reported to the AC. At least annually, the Board, with the assistance from the AC, will review the adequacy and effectiveness of the Company's Risk Management and internal control systems, including financial, operational, compliance and information technology risks.
9.2(a) and 9.2(b)	**CEO and CFO assurance**	For FY2023, the Board has also received assurance from the CEO and the Chief Financial Officer ("**CFO**"): (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) on the adequacy and the effectiveness of the Group's risk management systems and internal control systems, including financial, operational, compliance and information technology controls.
	Board conclusion	The Board has received assurance from the CEO and the CFO that (a) the financial records have been properly maintained and the financial statements for FY2023 give a true and fair view of the Group's operations and finances; and (b) regarding the adequacy and effectiveness of the Group's risk management and internal controls system. In addition, the external auditors have not highlighted any significant internal control deficiencies which have come to their attention in the course of their statutory audit. The Board noted there were no major adverse findings on risk management and internal control systems relating to the agreed internal audit scope for FY2023.

CORPORATE GOVERNANCE

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>Based on the assurance from the CEO and the CFO referred to in the preceding paragraph, the internal controls established and maintained by the Group, the review performed by the Management and the AC, the work performed by the internal auditors, the review undertaken by the external auditors as part of their statutory audit and the absence of any whistleblowing report, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective during the financial year and up to the date of this report.</td></tr>
<tr><td colspan="3">Audit Committee
Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.</td></tr>
<tr><td>10.1</td><td>Duties of the AC</td><td>In performing its functions in accordance with a set of terms of reference, the AC's principal responsibilities include, amongst others meets, the following:

(a) review the audit plans of the external auditors and internal auditors, their evaluation of the system of internal controls, their audit report, their management letter and the management's response, where applicable;

(b) review with the independent internal auditors the internal audit plans and their evaluation of the adequacy of the internal control and accounting system before submission of the results of such review to the Board for approval, and, if necessary, outsource the internal audit function to ensure the adequacy and sufficiency of internal control procedures within the Group;

(c) review the external and internal auditors' reports;

(d) review the co-operation given by the Company's officers to the external and internal auditors;</td></tr>
</table>

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		(e) review the quarterly (if applicable), half-yearly and annual financial statements of the Company and the Group, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards, concerns and issues arising from the audits including any matters which the auditors may wish to discuss in the absence of management, where necessary, before their submission to the Board for approval; (f) review and discuss with the auditors any suspected fraud or irregularity, or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response; (g) review the independence of the external auditors and recommend their appointment or reappointment, remuneration and terms of engagement; (h) review transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any); (i) review any potential conflicts of interest (if any) and set out a framework to resolve or mitigate any potential conflicts of interest; (j) with the internal and external auditors, and in each case without the presence of management, at least annually, review the co-operation given by the management to the internal and external auditors; (k) ensuring the internal auditors are adequately resourced and staffed with persons with the relevant qualifications and experience and that the internal auditors comply with the standards set by internationally recognised professional bodies;

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		(l) ensure that the internal auditors have unfettered access to all the Group's documents, records, offices and personnel, including the AC, and has appropriate standing within the Group; (m) assist the Board in fulfilling its responsibility for overseeing the integrity of the Company's system of accounting and financial reports and in maintaining a high standard of transparency and reliability in its corporate disclosures; (n) review the procedures and policies put in place to ensure compliance with various laws and regulations (including laws and regulations for which the Group had contravened in the past) at least annually, to ensure that such procedures and policies are commensurate with the Group's operations and expansion plans from time to time; (o) review the risk profile of the Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board; (p) reviewing and assessing from time to time whether additional processes are required to be put in place to manage any material conflicts of interest with the controlling shareholders and propose, where appropriate, the relevant measures for the management of such conflicts; (q) appraise the performance of the CFO on an annual basis; (r) monitor the use of the initial public offering proceeds; (s) review the whistleblowing policy and procedures by which employees, customers, suppliers, patients and members of the public may, in confidence, report to the Audit Committee, to report any improper conduct (misconduct, criminal offences or non-ethical medical practices), and ensure that there are procedures in place for the receipt, retention and treatment of complaints, the independent investigation and follow-up actions thereto;

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Provision	Code Description	Company's Compliance or Explanation
		(t) monitor Sheffield Energy Pte. Ltd.'s compliance with the relevant deeds/undertakings provided to the Group; (u) review and approve foreign exchange hedging policies implemented by the Group and conduct periodic review of foreign exchange transactions and hedging policies and procedures; (v) review the key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, announced immediately via SGX-NET; (w) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee; (x) review arrangements by which the staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; (y) (i) monitor and oversee the Company's exercise of the deed of call option and right of first refusal dated 31 July 2023 ("**SGSAS Call Option and ROFR Deed**") by Sheffield Green SAS ("**SGSAS**") and the legal and regulatory compliance issues relating to SGSAS' business in France and (ii) ensure that the acquisition of SGSAS by the Company, including exercise of the SGSAS Call Option and ROFR Deed, will be subject to the applicable Chapters 9 and 10 of the Catalist Rules; and (iii) monitor and oversee the appointment of the legal adviser in France to opine on the resolution of the legal and regulatory issues in relation to SGSAS's business in France to ensure that they are resolved to the satisfaction of the Group;

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Provision	Code Description	Company's Compliance or Explanation
		(z) monitor and oversee the Group's ventures in establishing training schools and centres, and ship chandelling and catering business; (aa) monitor, oversee and regularly review the Group's implementation of the external auditors and internal auditors' recommendations on internal controls to ensure that they are satisfactorily implemented to address any internal control weaknesses identified; (bb) monitor and oversee the Company's obligations under the deed of undertaking dated 27 September 2023 by the Company in relation to the procurement and maintenance of keyman insurance; and (cc) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time. In addition to the above, the Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. The Audit Committee shall also commission an annual internal control audit until such time as the Audit Committee is satisfied that the Group's internal controls are robust and effective enough to mitigate the Group's internal control weaknesses (if any). Prior to the decommissioning of such an annual audit, the Audit Committee shall recommend to the Board and assist the Board in reporting to the SGX-ST and Evolve Capital Advisory Private Limited, or such sponsor acting for the Company from time to time, on how the key internal control weaknesses have been rectified, and the basis for the decision to decommission the annual internal control audit. Thereafter, such audits may be initiated by the Audit Committee as and when it deems fit to satisfy itself that the Group's internal controls remain robust and effective. Upon completion of the internal control audit, appropriate disclosure will be made via SGXNET of any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by the Board.

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Provision	Code Description	Company's Compliance or Explanation
		The Audit Committee shall have explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the management and full discretion to invite any Director or Executive Officer of the Group to attend its meetings, and be given reasonable resources to enable it to discharge its functions properly and effectively.
10.2 and 10.3	**AC composition**	All members of the AC are Independent Directors who do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previously partners or directors of the Company's external audit firm or hold any financial interest in the external audit firm. The composition of the AC is as follows: Mr. Liang Shian On (Chairman) Dr. Ong Seh Hong Mr. Tan Kheng Soon The AC Chairman, Mr. Liang and Dr. Ong have relevant accounting and related financial management background and experience. Dr. Ong has experience serving as member of audit committees of other Singapore listed companies.
	Independence of the external auditors	The AC assesses the independence of the external auditors annually. The aggregate amount of fees paid/payable to the external auditors for audit services rendered for the audit of the financial statements of the Group for FY2023 is US$133,767. The total amount of fees paid/payable to the external auditors for non-audit services rendered to the Group for the year ended 30 June 2023 is US$301,993 (2022: US$14,519), of which US$299,068 (2022: US$14,519) relates to audit-related services rendered in connection with the listing of the Company where US$258,647 (2022:US$14,519) is recognised in the income statement (Note 21 to the financial statements) and US$40,421 is recorded as part of deferred listing expenses (Note 7 to the financial statements). The AC is satisfied that the independence of the external auditors has not been prejudiced, and has recommended the re-appointment of Deloitte as the external auditors of the Company at the forthcoming AGM.

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Provision	Code Description	Company's Compliance or Explanation
10.4 and Rule 1204(10C)	**Internal Audit function**	The Group has appointed Crowe Horwath First Trust Risk Advisory Pte. Ltd. ("**Crowe**") as the internal auditors. The role of Crowe is to provide independent assurance to the AC that the Group maintains adequate and effective Risk Management and internal control systems. The AC reviews and approves the internal audit plan to ensure the adequacy of the audit scope. The internal audit plan complements that of the external auditors and together forms a robust risk-based audit approach to facilitate the AC's review of the adequacy and effectiveness of the Group's risk management and internal control systems. Crowe has unfettered access to all documents, records, properties and personnel, including access to the AC. Crowe has adequate resources to perform its functions effectively and it is independent from the activities that it audits and has appropriate standing within the Group. The scope of the internal audit covers key aspects of the Group's internal controls established to address financial, operational, compliance and information technology risks. The internal auditor's activities are guided by Crowe's internal auditing methodology which is in line with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. For FY2023, after having reviewed the internal audit report(s), the AC is satisfied that Crowe had been able to discharge its duties effectively as the internal auditor and that the internal audit function is independent, effective and adequately resourced.
10.5	**Independent Session with the External Auditors & Internal Auditors ("IA")**	The AC will meet with the IA and External Auditors at least once annually to discuss audit findings and recommendations, without the presence of the Management.
Rule 712 and 715	**Auditors**	The Group has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of external auditors.

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Provision	Code Description	Company's Compliance or Explanation
10.1(f)	**Whistleblowing**	The Company has in place a whistleblowing policy which sets out the procedures for a whistleblower to make a report on misconduct or wrongdoing relating to the Company and its officers. The AC has reviewed the whistleblowing policy that the Group has established and is responsible for the oversight and monitoring of whistleblowing. The AC is satisfied that arrangements are in place to ensure independent investigation of such matters and for appropriate follow-up actions to be taken. The Company publicly discloses details of its whistleblowing policy together with the reporting channel and procedures through its website at https://www.sheffieldgreen.com, and clearly communicates with employees, the existence of the whistleblowing policy which is in compliance with Catalist Rule 1204(18B) as elaborated below: (a) the Company has procedures for raising such concerns to the AC Chairman via email and has an independent function comprising the AC Chairman and AC members to investigate whistleblowing reports made in good faith; (b) the Company has clear channels through which staff and other persons may, in confidence, raise their concerns about possible improprieties, fraudulent activities or malpractices within the Company in a responsible and effective manner; (c) the Company has arrangements and processes to facilitate independent investigation of such concerns and for appropriate follow-up action; (d) the Company has confidentiality clauses that protect identification of the whistleblower and ensures that the identity of the whistleblower is kept confidential; and (e) the Company is committed to ensuring the protection of the whistleblower against any detrimental and unfair treatment, for reports made in good faith and without malice. For FY2023 and up to the date of this report, there were no complaints, concerns or issues received by the Company.

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Provision	Code Description	Company's Compliance or Explanation
	Summary of Audit and Risk Management Committee activities	The AC has reviewed the annual financial statements of the Group, the quality and reliability of information for inclusion in financial reports, policies and practices put in place by the Management, reviewed the volume and nature of Interested Person Transactions (if any), nominated and recommended the re-appointment/appointment of the external auditors and internal auditors and reviewed the adequacy, effectiveness and independence of the external and internal auditors. The AC has assisted the Board in reviewing the adequacy and effectiveness of the risk management and internal control systems, addressing financial, operational, compliance and information technology risks of the Group. Changes to the accounting standards and issues that have direct impact on financial statements will be reported to and discussed with the AC by the external auditors, in order for the AC members to keep abreast of changes to such accounting standards and issues. At the first Audit Committee Meeting held in December 2023, the external auditors ("**EA**") also briefed the Audit Committee ("**AC**") and the Board on changes and amendments to the accounting standards. In the review of the Group's financial statements, the AC discussed with the Management on the accounting principles and assumptions that were applied and considered the clarity of key disclosures in the financial statements. The AC also considered the report from the external auditors, including their findings on the significant risks and audit focus areas. The Key Audit Matters ("**KAM**") highlighted by the external auditors and how the KAM was addressed in the audit are set out in page 75 of this annual report. In assessing the KAM, the AC took into consideration the approach and methodology applied as well as the reasonableness of the estimates and key assumptions used. The AC concluded that management's accounting treatment and estimates in the KAM were appropriate.

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Provision	Code Description	Company's Compliance or Explanation
SHAREHOLDER RIGHTS AND ENGAGEMENT **Shareholder Rights and Conduct of General Meetings** ***Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***		
11.1	**Shareholder rights**	All Shareholders are treated fairly and equitably, and the Group strives to disclose information on all major developments that could materially impact the Group in a timely manner. Shareholders are entitled to attend the general meetings and are afforded the opportunity to participate effectively in and vote at general meetings.
11.2	**Resolutions**	Each distinct issue is proposed as a separate resolution at general meetings. All resolutions proposed at general meetings shall be put to vote by way of a poll pursuant to Rule 730A(2) of the Catalist Rules. All votes cast, for or against, and the respective percentages, in respect of each resolution will be tallied and disclosed at the meeting and an announcement with the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentages will be released via SGXNET after the general meetings.
11.3	**Attendance at general meetings**	All Directors, in particular the Chairman of the Board, the respective Chairman of the AC, NC and RC, will be present and available to address shareholders' queries at the general meetings. The external auditor will also be present to address queries regarding the conduct of the audit and the preparation and content of the auditor's report.

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Provision	Code Description	Company's Compliance or Explanation
11.4	**Voting procedures**	At general meetings, all shareholders are encouraged to attend, participate effectively and vote in person or by proxy. The Company's Constitution provides for a shareholder or a depositor to appoint not more than two (2) proxies to attend and vote at the general meetings of the Company. Where the member is Central Depository (Pte) Ltd (or its nominee as notified in writing to the Company), it can appoint more than two (2) proxies. Proxies need not be a shareholder of the Company. Shareholders are informed of such meetings through the annual report or circulars sent to all shareholders, notices published in the newspapers and announcements released via SGXNET. Shareholders will be briefed on the rules governing such meetings and voting procedures of the general meetings. An independent polling agent is appointed by the Company for general meetings who will explain the voting procedures that govern the general meetings. Results of voting will be announced on a timely manner via SGXNET. Voting in absentia by email, mail or fax is not implemented due to authentication and other security related concerns.
11.5	**Minutes of general meetings**	The Company will publish the results of the voting on each resolution tabled and minutes of general meetings, which records the substantial and relevant comments and queries relating to the agendas of the general meetings raised by shareholders, together with responses from the Board and Management via SGXNET. The Company will publish the minutes of the AGM on the Company's website and SGXNET within one month from the date of the respective meeting.

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Provision	Code Description	Company's Compliance or Explanation
11.6	**Dividend Policy**	The Company does not have a fixed dividend policy. The form, frequency and amount of future dividends on the Company's shares will depend on the Group's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may, in their absolute discretion, deem appropriate ("**Dividend Factors**"). Therefore, there is no assurance that dividends will be paid in the future or of the amount or timing of any future dividends. The Company may declare an annual dividend subject to the approval of the shareholders in a general meeting but the amount of such dividend shall not exceed the amount recommended by the Directors. The Directors may also declare an interim dividend without the approval of the shareholders. In line with that disclosed in the section entitled "Dividend Policy" in the Company's Offer Document dated 30 October 2023, the Board of Directors intends to recommend dividends of 30.0% of our net profit after tax (after deducting profit attributable to non-controlling interests) generated in FY2023 to FY2024, as the Board wish to reward Shareholders for participating in the Group's growth. The Board is pleased to recommend a final one-tier tax exempt dividend of 1.0 Singapore cent per share for FY2023 ("**Final Dividend**") which represents a payout ratio of approximately 40.4% against the Group's net profit after tax for FY2023. The Final Dividend amounting to S$1.86 million is subject to shareholders' approval at the forthcoming AGM to be held on 23 January 2024.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
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.***		
12.1	**Communication**	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 and the Company's website. Where there is inadvertent disclosure made to a selected group, the Company would make the same disclosure publicly to all stakeholders as soon as practicable. Communication is made through: (a) annual reports prepared and issued to all shareholders. The Board ensures that the annual reports include all relevant information of the Company and the Group, including future developments, if any, and other disclosures required by the Companies Act 1967 of Singapore and Singapore Financial Reporting Standards and the Catalist Rules; (b) result announcements containing a summary of the financial information and affairs of the Group for the corresponding period; (c) press releases on major developments of the Group; and (d) analysts briefings and/or roadshow. The AGM of the Company is to be held within four months after the end of the financial year, subject to any applications for waivers by the Company which have been granted by SGX-ST. The Company will be holding its AGM for FY2023 on 23 January 2024, details of which are disclosed in the Notice of AGM.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		In line with the Company's corporate social responsibility initiatives and environmental sustainability efforts, annual reports and circulars to Shareholders will be published on the Company's corporate website and at the SGXNET and available for viewing or downloading by the shareholders. Printed copies will only be mailed to shareholders upon their request via a request form. Shareholders of the Company will receive the AGM & EGM notices, proxy forms and request form (to request for hard copy annual reports and circulars) via mail. The documents are also accessible via the Company's corporate website and at the SGXNET. Notices of AGM are also advertised in a national newspaper within the mandatory period. The shareholders can access financial information, corporate announcements, press releases, annual reports, circulars and profile of the Group on the Company's website at https://www.sheffieldgreen.com/investor-relations/.
	Conduct of Shareholder meeting	At general meetings, shareholders are given opportunities to voice their views and direct their questions to the Directors or the Management regarding the Company. The Chairman of the Board, members of the AC, NC and RC will be present and available to address questions at general meetings. The External Auditors will also be present. Shareholders may also submit questions in advance relating to resolutions to be tabled for approval at general meetings or the Company's business and operations and the Company will address relevant and substantial questions via a response on the SGXNET and the Company's website prior to the general meeting. The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions received after the stipulated cut-off date at the general meeting itself.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		Shareholders who are attending the general meetings may also submit their substantial and relevant queries relating to the agenda of the meeting during the course of the meetings, which the Management and the Board of Directors will address accordingly. All resolutions are put to vote by poll in all the Company's general meetings. For cost effectiveness, the voting of the resolutions at the general meetings are conducted by manual polling and their detailed results are announced at the meeting. The voting results of each of the resolutions tabled will be announced on the same day after the general meeting via SGXNET.
12.2	**Investor Relations Policy**	The Company solicits feedback from and encourages communications with shareholders and/or investors through the provision of an email address (info@sheffieldgreen.com) and/or contact details of our Investor Relations Consultants. The Company also addresses the concerns of shareholders (including institutional and retail investors) via investors/analyst briefings after the release of its periodic financial results. The Group will provide shareholders and prospective investors with pertinent information necessary to make well-informed investment decisions. By providing shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. The Company is supported by external Investor Relations Consultants and all media, analyst queries and investor relations events are coordinated accordingly, together with our Executive Director, who is responsible for corporate communications to enable effective communication between the Company and the investors.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
12.3	**Investor engagement**	The Company conducts briefings to present its financial results to the media and analysts. Outside of the financial announcement periods, when necessary and appropriate, the Company will meet analysts and/or investors who wish to seek a better understanding of the Group's business and operations, but discussions will be confined within publicly available and known information. This effort enables the Company to solicit feedback from the investment community on a range of strategic and topical issues which provide valuable insights to the Company from investors' views. Shareholders may raise questions to the Company through the Company's website of which the Company may respond to such questions. The Company also endeavors to announce the date of release of periodic financial reports at least a week in advance.
MANAGING STAKEHOLDERS RELATIONSHIPS **Engagement with Stakeholders** ***Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***		
13.1, 13.2 and 13.3	**Stakeholders' engagement**	The Board considers the Company's obligations to its shareholders and also the interests of its material stakeholders as the relationships with material stakeholders may have an impact on the Company's long-term sustainability. Stakeholders are parties who may be affected by the Company's activities or whose actions can affect the ability of the Company to conduct its activities. The Board has identified its stakeholders as customers, employees, suppliers, landlords, investors, media, government institutions and the communities. The Company maintains its Company's website to communicate and engage with the stakeholders.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		In addition, to keep stakeholders informed on the commitment made by the Company in fostering the creation of long-term value for the stakeholders and sustainable development of the global economy, the Group will be preparing its sustainability report in line with paragraph 6.3 of Practice Note 7F of the Catalist Rules which states that an issuer in its first year of reporting may report within 12 months of the end of its financial year, i.e. before 30 Jun 2024.
	Communication	Communication with shareholders and the public are managed by the Board. All announcements are released via SGXNet, including the half-yearly and full-year financial results, distribution of notices, press releases, analyst briefings, presentations, and announcement on acquisitions, corporate development and other material developments. The Company does not practise selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Catalist Rules. Annual reports and/or circulars will be published on the Company's corporate website and on the SGXNet. In addition, all shareholders will receive notices of general meetings, proxy forms and request form for printed copies of the annual report and/or circular. Shareholders and the public may view and/or download these documents from SGXNet or the Company's website. Apart from SGXNET announcements and its annual reports, the Company will also conduct media interviews as and when appropriate to give shareholders and the public deeper insights of the Group's business and strategies when opportunities present themselves. Further, the Company may, if it considers necessary and appropriate, release press releases or organise media/analyst briefings to keep shareholders and the public informed of its corporate development. The Company's Executive Director and Chief Financial Officer are responsible for the Company's communication with shareholders, with the support of external Investor Relations Consultants. The Company maintains a corporate website where shareholders can access financial information, corporation announcements, press releases, annual reports and profile of the Group at https://www.sheffieldgreen.com/investor-relations/.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
COMPLIANCE WITH APPLICABLE CATALIST RULES		
712, 715 and 716	**Appointment of Auditors**	The Company confirms its compliance with Catalist Rules 712 and 715 and 716. The AC and the Board are satisfied with the FY2023 audit plan, scope and work proposed and performed by the external auditors, Deloitte & Touche LLP, for the Company and its subsidiaries for group consolidation purposes.
1204(8)	**Material Contracts**	There were no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2023 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	**Confirmation of adequacy of internal controls**	The Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective as at FY2023 based on the assurance from the CEO and our CFO set out in page 47 of this annual report, the internal controls established and maintained by the Group, the review performed by the Management and the AC, the work performed by the internal auditors and the review undertaken by the external auditors as part of their statutory audit.
1204(17)	**Interested Persons Transaction ("IPT")**	The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are conducted at arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		The Group has not obtained a general mandate from shareholders for IPT. The interested persons transactions entered into with the Group during FY2023 is as follows:

Interested Person	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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Kee Boo Chye ("**Mr. Kee**")	Mr. Kee is the CEO, Chairman and Executive Director of the Company.	US$750,000	–
Sheffield Energy Pte. Ltd. ("**SEPL**")	SEPL is a private company limited by shares incorporated in Singapore on 18 March 1989. SEPL is a wholly-owned subsidiary of the SEsPL.	US$2,413,489	–
PT Sheffield Energy ("**PTSE**")	PTSE is a private company limited by shares incorporated in Indonesia on 12 July 2007. PTSE is a subsidiary of SEPL.	US$4,949,340	–

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
		The list of interested persons shall be reviewed on a quarterly basis by the CFO and subject to such verifications or declarations as required by the AC for such period as determined by them. The AC shall review all IPTs at least on a half-yearly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures and to ensure that the prevailing rules and regulations in particular, Chapter 9 of the Catalist Rules are complied with.
1204(19)	**Dealing in Securities**	The Company has adopted an internal compliance code of conduct to guide and advise Directors and all executives of the Company with regard to dealings in the Company's securities in compliance with Rule 1204(19) of the Catalist Rules. The Company, Directors and executives shall not deal in the Company's shares on short-term considerations or if they are in possession of price sensitive information and during the period commencing one (1) month prior to release of the half-year and full-year financial results announcement and ending on the date of the announcement of the results. Directors and senior management are also expected to observe insider-trading laws at all times even when dealing in securities within permitted trading periods while in possession of price-sensitive information. In general, the Group's policy encourages Directors and employees of the Group to hold the Company's securities and not deal in the Company's securities on short term considerations. The policy is to ensure that the Company's Directors, officers and employees of the Group are aware of their legal obligations towards the dealing of securities of the Company. Persons who are in possession of unpublished material price sensitive information and use such information for their own material gain are committing an offence of insider trading.

CORPORATE GOVERNANCE

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td>1204(5)(f) and 1204(22)</td><td>Use of Proceeds</td><td>
Pursuant to the IPO on 30 October 2023, the Company received gross proceeds of S$6,000,000 from the placement of new shares pursuant to the IPO on 30 October 2023. After deducting expenses incurred in connection with the IPO of approximately S$2,223,000, as set out in the section entitled “Use of Proceeds” in the Offer Document, The Company received net proceeds amounting to approximately S$3,777,000 from the IPO (“Net Proceeds”).
As at the date of this report, the status on the use of the proceeds is as follows:
<table>
<tr><th></th><th>Amount allocated[1]</th><th>Amount utilised</th><th>Balance</th></tr>
<tr><th>Use of proceeds</th><th>S$’000</th><th>S$’000</th><th>S$’000</th></tr>
<tr><td>Expanding the scale of existing business and geographical coverage</td><td>2,100</td><td>(14)</td><td>2,086</td></tr>
<tr><td>Expanding into complementary offerings, new product lines and other technical services</td><td>1,050</td><td>(460)</td><td>590</td></tr>
<tr><td>General working capital purposes</td><td>627</td><td>(196)</td><td>431</td></tr>
<tr><td>Total</td><td>3,777</td><td>(670)</td><td>3,107</td></tr>
</table>
Note:
(1) As disclosed in the Offer Document dated 30 October 2023.
The Company will make periodic announcements on the utilisation of the net proceeds from the IPO as and when the proceeds are materially disbursed and provide a status report on such use in its annual report and its half-yearly and full-year financial statements.
</td></tr>
</table>

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
711A	**Sustainability Report**	The Group will be preparing its sustainability report in line with paragraph 6.3 of Practice Note 7F of the Catalist Rules which states that an issuer in its first year of reporting may report within 12 months of the end of its financial year, i.e. before 30 June 2024. The Directors will attend the mandatory sustainability training as prescribed by the SGX-ST prior to issuing the Group's first sustainability report.
1204(21)	**Non-sponsor fees**	There was no non-sponsor fee paid to the Company's sponsor, Evolve Capital Advisory Private Limited during FY2023.

DIRECTORS' STATEMENT

The directors present their statement together with the audited combined financial statements of Sheffield Green Ltd. (the "Company") and its subsidiaries (the "Group") and statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2023.

In the opinion of the directors, the combined financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 79 to 142 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 30 June 2023, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1. DIRECTORS

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

Kee Boo Chye	
Liang Shian On	(Appointed on 19 September 2023)
Ong Seh Hong	(Appointed on 19 September 2023)
Tan Kheng Soon	(Appointed on 19 September 2023)
Tan Yuni	(Appointed on 19 September 2023)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES OR DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options mentioned in paragraph 4 of the Directors' statement.

DIRECTORS' STATEMENT

3. DIRECTORS' INTERESTS IN SHARES

The directors of the Company holding office at the end of the financial year had no interests in the share capital of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act 1967 except as follows:

	Shareholdings registered in name of director		**Shareholdings in which directors are deemed to have an interest**	
Name of directors and companies in which interests are held	**At beginning of year**	**At end of year**	**At beginning of year**	**At end of year**
Sheffield Green Ltd (The Company) (Ordinary Shares)				
Kee Boo Chye	–	–	8,700	8,700
Sheffield Energies Pte. Ltd. (Ultimate holding company) (Ordinary Shares)				
Kee Boo Chye	9,261,918	8,514,739	–	–

By virtue of section 7 of the Companies Act 1967, Mr Kee Boo Chye is deemed to have an interest in all the related corporations of the Company.

The directors' interests in the shares of the Company at 21 July 2023 were the same at 30 June 2023.

4. SHARE OPTIONS

(a) *Option to take up unissued shares*

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

(b) *Option exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

DIRECTORS' STATEMENT

5. AUDIT COMMITTEE

The Audit Committee of the Company, consisting of all non-executive directors, is chaired by Mr. Liang Shian On, an independent director, and includes Dr. Ong Seh Hong, an independent director and Mr. Tan Kheng Soon. The Audit Committee has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

(a) The audit plans and results of the internal auditor's examination and evaluation of the Group's systems of internal accounting controls;

(b) The Group's financial and operating results and accounting policies;

(c) The audit plans of the external auditors;

(d) The financial statements of the Company and the combined financial statements of the Group before their submission to the directors of the Company and external auditor's report on those financial statements;

(e) The half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

(f) The co-operation and assistance given by management to the Group's external auditors; and

(g) The re-appointment of the external auditors of the Group.

The Audit Committee has full access to and has the co-operation of management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

DIRECTORS' STATEMENT

6. AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Kee Boo Chye

Tan Yuni

8 January 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHEFFIELD GREEN LTD.

Opinion

We have audited the financial statements of Sheffield Green Ltd. (the "Company") and its subsidiaries (the "Group") which comprise the combined statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2023, and the combined statement of profit or loss and other comprehensive income, combined statement of changes in equity and combined statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 79 to 142.

In our opinion, the accompanying combined financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the combined financial position of the Group and the financial position of the Company as at 30 June 2023 and of the combined financial performance, combined changes in equity and combined cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHEFFIELD GREEN LTD.

Key audit matter	How the matter was addressed in the audit
<u>Revenue recognition</u> For the financial year ended 30 June 2023, total revenue of the Group amounted to US$27,610,719 which is contributed by provision of human resource of US$26,353,405 and ancillary services of US$1,257,314. Revenue from provision of human resource is recognised over time as the customer simultaneously receives and consumes the services the Company provides. Revenue from ancillary services is recognised when the services have been performed and rendered at a point in time. We identified revenue recognition as a key audit matter as significant accounting judgement is involved in determining whether the Group acts as an agent or as a principal in its contractual arrangements for both provision of human resources and provision of ancillary services where subcontractors were engaged, which affects revenue recognised. The Group's revenue recognition policy and critical accounting judgement are set out in Notes 2, 3 and 17 to the combined financial statements.	We obtained an understanding of the revenue process, evaluated the design and implementation and tested the operating effectiveness of relevant controls relating to revenue recognition. We assessed the Group's revenue recognition practices to determine that they are in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*, and have performed the following procedures in relation to management's judgement applied to revenue recognition: i. Evaluated management's judgement applied to adopt principal accounting for the related revenue recognition by reviewing key contractual terms of relevant significant contracts; and ii. Reviewed the adequacy and appropriateness of the related disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHEFFIELD GREEN LTD.

Information Other than the Combined Financial Statements and Auditor's Report Thereon

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

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

Responsibilities of Management and Directors for the Combined Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHEFFIELD GREEN LTD.

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

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

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

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

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

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

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined 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 directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHEFFIELD GREEN LTD.

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Mao Meijiao.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

8 January 2024

COMBINED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	Group		Company	
		2023	2022	2023	2022
		US$	US$	US$	US$
ASSETS					
Current assets					
Cash and cash equivalents	6	**3,644,945**	774,333	**5,420**	486,971
Trade and other receivables	7	**8,067,687**	2,900,761	**116,599**	–
Amount due from related companies	5A	**–**	167,373	**1,090,793**	601,788
Total current assets		**11,712,632**	3,842,467	**1,212,812**	1,088,759
Non-current assets					
Equipment	8	**42,846**	23,625	**–**	–
Intangible assets	9	**5,801**	5,414	**–**	–
Right-of-use assets	10	**100,647**	19,810	**–**	–
Investment in subsidiaries	11	**–**	–	**450,385**	5
Pledged deposits	6	**107,468**	201,607	**–**	–
Total non-current assets		**256,762**	250,456	**450,385**	5
Total assets		**11,969,394**	4,092,923	**1,663,197**	1,088,764
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	12	**4,849,395**	1,720,736	**561,472**	5,791
Amount due to related companies	5A	**391,394**	1,092,162	**19,568**	20,279
Lease liabilities	13	**53,574**	17,866	**–**	–
Borrowings	14	**439,490**	–	**–**	–
Income tax payable		**1,272,089**	138,309	**–**	–
Total current liabilities		**7,005,942**	2,969,073	**581,040**	26,070
Non-current liability					
Lease liabilities	13	**48,883**	–	**–**	–
Capital and reserves					
Share capital	15	**2,067,562**	1,278,302	**1,881,562**	1,092,302
Merger reserves	16	**33,921**	33,921	**–**	–
Translation reserve		**13,999**	27,645	**–**	–
Accumulated profit/(losses)		**2,799,087**	(216,018)	**(799,405)**	(29,608)
Total equity		**4,914,569**	1,123,850	**1,082,157**	1,062,694
Total liabilities and equity		**11,969,394**	4,092,923	**1,663,197**	1,088,764

See accompanying notes to combined financial statements.

COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group	
		2023	**2022**
		US$	**US$**
Revenue	17	**27,610,719**	7,769,810
Cost of services		**(19,874,987)**	(6,538,520)
Gross profit		**7,735,732**	1,231,290
Administrative expenses		**(2,823,970)**	(1,199,645)
Finance costs	18	**(16,103)**	(715)
Other losses	19	**(139,595)**	(131,833)
Profit (loss) before income tax		**4,756,064**	(100,903)
Income tax expense	20	**(1,290,579)**	(50,961)
Profit (loss) for the year	21	**3,465,485**	(151,864)
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(13,646)**	41,273
Total comprehensive income (loss) for the year		**3,451,839**	(110,591)
Earnings (loss) per share			
Basic and diluted (US$ cents)	22	**2.13**	(0.09)

See accompanying notes to combined financial statements.

COMBINED STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2023

Group	Share capital US$	Merger reserve US$	Translation reserve US$	Accumulated profit (loss) US$	Total equity US$
Balance at 1 July 2021	219,925	–	(13,628)	(64,154)	142,143
Total comprehensive income for the year:					
Loss for the year	–	–	–	(151,864)	(151,864)
Other comprehensive income for the year	–	–	41,273	–	41,273
Total	–	–	41,273	(151,864)	(110,591)
Transactions with owners, recognised directly in equity:					
Issue of share capital (Note 15)	1,092,302	–	–	–	1,092,302
Arising from group restructuring (Note 1)	(33,925)	33,921	–	–	(4)
Total	1,058,377	33,921	–	–	1,092,298
Balance at 30 June 2022	1,278,302	33,921	27,645	(216,018)	1,123,850
Total comprehensive income for the year:					
Profit for the year	–	–	–	3,465,485	3,465,485
Other comprehensive loss for the year	–	–	(13,646)	–	(13,646)
Total	–	–	(13,646)	3,465,485	3,451,839
Transactions with owners, recognised directly in equity:					
Issue of share capital (Note 15)	338,880	–	–	–	338,880
Arising from group restructuring (Note 1 and 15)	450,380	–	–	(450,380)	–
Total	789,260	–	–	(450,380)	338,880
Balance at 30 June 2023	**2,067,562**	**33,921**	**13,999**	**2,799,087**	**4,914,569**

See accompanying notes to combined financial statements.

COMBINED STATEMENT OF
CHANGES IN EQUITY

AS AT 30 JUNE 2023

Company	**Share capital US$**	**Accumulated loss US$**	**Total equity US$**
Balance at 4 October 2021 (date of incorporation)	1	–	1
Total comprehensive income for the year:			
Loss for the year	–	(29,608)	(29,608)
Transactions with owners, recognised directly in equity:			
Issue of share capital (Note 15)	1,092,301	–	1,092,301
Total	1,092,301	(29,608)	1,062,693
Balance at 30 June 2022	1,092,302	(29,608)	1,062,694
Total comprehensive income for the year:			
Loss for the year	–	(769,797)	(769,797)
Transactions with owners, recognised directly in equity:			
Issue of share capital (Note 15)	338,880	–	338,880
Arising from group restructuring (Note 1 and 15)	450,380	–	450,380
Total	789,260	–	789,260
Balance at 30 June 2023	**1,881,562**	**(799,405)**	**1,082,157**

See accompanying notes to combined financial statements.

COMBINED STATEMENT OF CASH FLOW

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Group	
	2023	**2022**
	US$	**US$**
Operating activities		
Profit (Loss) before income tax	**4,756,064**	(100,903)
Adjustments for:		
Depreciation of equipment	**12,030**	7,603
Amortisation of intangible assets	**3,123**	2,080
Depreciation of right-of-use assets	**72,675**	46,970
Finance cost	**16,103**	715
Unrealised foreign exchange (gain) loss	**(5,671)**	78,695
Operating cash flows before movement in working capital	**4,854,324**	35,160
Trade and other receivables	**(7,923,290)**	(1,800,867)
Trade and other payables	**5,100,088**	1,249,752
Amount due from related companies	**47,179**	63,795
Amount due to related companies	**–**	(89,347)
Cash generated from (used in) operations	**2,078,301**	(541,507)
Interest paid	**(11,622)**	–
Income tax paid	**–**	(20,013)
Net cash from operating activities	**2,066,679**	(561,520)
Investing activities		
Placement of pledged deposits	**(10,530)**	(94,126)
Purchase of equipment	**(25,743)**	(6,411)
Purchase of intangibles	**(3,756)**	(3,015)
Acquisition of business under common control	**–**	(4)
Net cash used in investing activities	**(40,029)**	(103,556)
Financing activities		
Proceeds from borrowings	**765,119**	–
Repayment of borrowings	**(311,067)**	–
Issue of shares	**338,880**	1,092,302
Advances from related companies	**235,359**	399,235
Repayment of advances to related company	**(123,794)**	(183,000)
Repayment of lease liabilities	**(68,911)**	(50,308)
Interest on lease liabilities	**(4,481)**	(715)
Net cash from financing activities	**831,105**	1,257,514
Net increase in cash and cash equivalents	**2,857,755**	592,438
Cash and cash equivalents at beginning of the year	**774,333**	217,438
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	**12,857**	(35,543)
Cash and cash equivalents at end of the year (Note 6)	**3,644,945**	774,333

See accompanying notes to combined financial statements.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1 GENERAL

Sheffield Green Ltd. (the "Company") (Registration No. 202134454W) was incorporated in Singapore with its principal place of business and registered office at 11 Collyer Quay #06-01 The Arcade Singapore 049317. The financial statements are expressed in United States dollars ("US$"), which is also the functional currency of the Company.

The Company was listed on Catalist, the sponsor-supervised listing platform of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 30 October 2023.

The principal activities of the Company is that of investment holding company. The principal activities of the subsidiaries are disclosed Note 11.

Pursuant to the Group restructuring exercise ("Restructuring Exercise") to rationalise the structure of the Company and its subsidiaries in preparation for the listing of the Company on the SGX-ST, the Company underwent the Restructuring Exercise involving the following:

1. <u>Incorporation of the Company</u>

   On 4 October 2021, the Company was incorporated in Singapore with an issued and paid-up share capital of US$1 (S$2) comprising 2 ordinary shares held by Sheffield Energies Pte. Ltd. ("Holdco") at the time of incorporation.

2. <u>Incorporation of Sheffield Green (Asia) Pte. Ltd. ("SGAPL")</u>

   On 18 November 2021, SGAPL was incorporated in Singapore with an issued and paid-up share capital of US$1 (S$2) comprising 2 ordinary shares held by the Company. On 22 March 2022, Sheffield Green (Asia) Pte. Ltd. Taiwan Branch ("SGAPL (Taiwan Branch)") was registered in Taiwan as a foreign branch of SGAPL.

3. <u>Transfer of Sheffield Energy SAS from Sheffield Energy Pte. Ltd. ("SEPL") to the Company</u>

   On 21 March 2022, SEPL, a wholly owned subsidiary of the Holdco, entered into a share sale and purchase agreement with the Company pursuant to which SEPL transferred its entire shareholding interest in Sheffield Energy SAS to the Company for a nominal consideration of US$4 (S$5). On 11 April 2022, the name of Sheffield Energy SAS was changed to Sheffield Green SAS ("SGSAS").

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1 GENERAL (CONTINUED)

4. Allotment of new shares in the Company to the Holdco

On 23 May 2022, the Company passed a directors' resolutions in writing and the Company's shareholder passed a member's resolution in writing for the approval of Holdco to acquire 8,698 ordinary shares in the Company (representing 100% shareholding interests in the Company) from the allotment of new share capital for a total consideration of US$223,617 (S$304,430). The shares were issued and allotted to the Holdco on 2 June 2022.

5. Allotment of new shares to 17 individual investors

From 6 June 2022 to 21 December 2022, the Company allotted and issued 1,700 ordinary shares in the Company to 17 individual investors, resulting in the current issued and paid-up share capital of the Company to be US$1,431,182 (S$2,004,432) comprising 10,400 ordinary shares.

6. Transfer of Sheffield Energy K.K. ("SEKK") to the Company

On 1 July 2023, SEPL entered into a share sale and purchase agreement with the Company pursuant to which SEPL transferred its entire shareholding interest in SEKK to the Company for a nominal consideration of US$1. On 20 September 2023, the name of SEKK was changed to Sheffield Green K.K..

7. Transfer of the renewable energy business from SEPL to SGAPL

On 31 July 2023, SEPL entered into a business transfer agreement with SGAPL in relation to the transfer of the business of providing human resources services and ancillary services in, inter alia, the renewable energy ("Renewable Energy Business") industry from SEPL to SGAPL which was deemed to take effect on 1 July 2022 for a consideration of US$450,380 ("BTA Consideration"). The BTA Consideration was based on the net asset value of the Renewable Energy Business.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1 GENERAL (CONTINUED)

7. Transfer of the renewable energy business from SEPL to SGAPL (Continued)

As part of the business reorganisation under the BTA, the Group also underwent a restructuring of certain intercompany receivables and payables as follows ("Reorganisation of Intercompany Receivables and Payables"):

(1) Pursuant to two separate deeds of assignment dated 31 July 2023, the payables and receivables in respect of the BTA Consideration were assigned with effect from 1 July 2022 as follows:

a. the debts, obligations and liabilities in respect of the payables of the BTA Consideration to SEPL was assigned by SGAPL to SGPL; and

b. the rights, title, interests and benefits in respect of the receivables of the BTA Consideration from SGPL was assigned by SEPL to Holdco.

As a result of the above assignments, an amount is payable by the Company to Holdco in relation to the BTA Consideration and Holdco agreed to the settlement of the BTA Consideration by way of capitalising such sum by the Company and increasing the Company's share capital in Singapore Dollars as represented by Holdco's 8,700 ordinary shares in the Company (prior to the share-split) without any issuance and/or allotment of new Shares. Accordingly, the share capital of the Company increased by US$450,380 as a result of the capitalisation.

(2) Pursuant to three separate deeds of assignment dated 31 July 2023, the rights, title, interests and benefits in respect of the respective receivables from SGAPL was assigned by the following parties to SEPL with effect from 1 July 2022 as follows:

a. the receivables from SGAPL in the sum of US$128,035 was assigned by PT Sheffield Energy Indonesia to SEPL;

b. the receivables from SGAPL in the sum of US$2,293 was assigned by Sheffield Energy Limited ("SEL") to SEPL; and

c. the receivables from SGAPL in the sum of US$5,505 was assigned by Sheffield Energy Sdn Bhd to SEPL.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1 GENERAL (CONTINUED)

7. Transfer of the renewable energy business from SEPL to SGAPL (Continued)

(3) Pursuant to five separate deeds of assignment dated 31 July 2023, the debts, obligations and liabilities in respect of the respective payables and the rights, title, interests and benefits in respect of the respective receivables were assigned with effect from 1 July 2022 as follows:

a. the payables to SEL in the sum of TWD 21,663,687 (US$727,924) was assigned by SGAPL (Taiwan Branch) to SGAPL and, in turn, such receivables from SGAPL was assigned by SEL to SEPL;

b. the payables to Sheffield Technical Recruitment Limited ("STRL") in the sum of TWD 460,647 (US$15,478) was assigned by SGAPL (Taiwan Branch) to SGAPL and, in turn, such receivables from SGAPL was assigned by STRL to SEPL; and

c. the payables to SEPL in the sum of TWD 4,353,574 (US$146,285) was assigned by SGAPL (Taiwan Branch) to SGAPL.

(4) Pursuant to four separate deeds of assignment dated 31 July 2023, the debts, obligations and liabilities in respect of the respective payables and the rights, title, interests and benefits in respect of the respective receivables were assigned with effect from 1 July 2022 as follows:

a. the payables to SGAPL (Taiwan Branch) in the sum of TWD 35,841,073 was assigned by Sheffield Energy Pte. Ltd. (Taiwan Branch) ("SEPL (Taiwan Branch)") to SEPL and, in turn, such receivables from SEPL was assigned by SGAPL (Taiwan Branch) to SGAPL; and

b. the payables to SEPL (Taiwan Branch) in the sum of TWD 32,490,139 was assigned by SGAPL (Taiwan Branch) to SGAPL and, in turn, such receivables from SGAPL was assigned by SEPL (Taiwan Branch) to SEPL.

A total balance of US$858,348 due to SEPL as at 1 July 2022 arose as a result of the above deed of assignments. This balance was settled against the monetary assets and liabilities transferred to SGAPL from SEPL under the BTA amounting to US$836,211. Accordingly, the balance due to SEPL as at 1 July 2022 under the BTA arrangement was US$22,137.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1 GENERAL (CONTINUED)

7. Transfer of the renewable energy business from SEPL to SGAPL (Continued)

During the financial year ended 30 June 2022, the financial information in relation to the Renewable Energy Business has been prepared on a "carve-out basis" from SEPL and merger accounting for business combination involving entities under common control has been applied in this combined financial statements. Management has identified assets, liabilities, revenues, expenses and cash flows associated with Renewable Energy Business in preparing the financial information. Administrative expenses that were related to the larger business of SEPL were allocated to the Renewable Energy Business based on the most relevant allocation method of either relative percentage of projects or headcounts undertaken by Renewable Energy Business relative to the whole of SEPL. The following reflects the consequential effects from the carve-out as described above.

Cash and cash equivalent

Treasury function within SEPL was managed centrally as a single entity and not based on business units within the entity. As there was no standalone bank account which was allocated to Renewable Energy Business, no cash and cash equivalent was carved out from SEPL as Renewable Energy Business does not have legal rights to deposit or withdraw funds autonomously. Instead, cash collections and payments are all recorded as balances receivable from or payable to SEPL on the basis that treasury function is managed by SEPL.

Income taxes

Income taxes is determined based on Renewable Energy Business financial information which has been carved out from SEPL. As the Renewable Energy Business was not a separately taxable entity from SEPL, current tax liabilities are subsumed within amount due to related company where SEPL had made tax payments as a taxable entity. Taxable losses arising from Renewable Energy Business had been utilised by SEPL during the financial years ended 30 June 2020, 2021 and 2022 and hence, no deferred tax asset was recognised and instead a receivable from SEPL was recorded along with the income tax benefit recorded by the Group.

Intra-group balances and transactions

Certain intra-group balances and transactions within the businesses of SEPL which were eliminated within SEPL have been presented and disclosed as related company balances and transactions within the combined financial statements.

Management believes the basis of preparation described above reflects the assets, liabilities revenues, expenses and cash flows associated with the Renewable Energy Business that would have been necessary to operate the business independently.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1 GENERAL (CONTINUED)

8. Transfer of SGSAS from the Company to SEPL and entry into the SGSAS Call Option and ROFR Deed

On 31 July 2023, the Company entered into a share sales and purchase agreement with SEPL pursuant to which the Company transferred its entire shareholding interest in SGSAS to SEPL for a nominal consideration of US$4 (S$5) ("SGSAS SPA") which was determined on a willing buyer and willing seller basis and also in consideration that the Company may purchase the SGSAS shares at a nominal consideration of S$1 under a deed of call option and right of first refusal dated 31 July 2023 ("SGSAS Call Option and ROFR Deed"). The SGSAS SPA provides that SEPL shall not, without the prior written consent of the Company, dispose or encumber their shares in SGSAS. SEPL also indemnifies the Company for any losses in relation to any claims brought against the Company arising out of or in connection with any legal and regulatory compliance issues, including any issue pertaining the use of 'portage' companies by SGSAS.

SGSAS was transferred by the Company to SEPL in view that there may be legal and regulatory compliance issues in relation to the business of SGSAS in France which may need to be regularised.

In order to allow the Group's to have future access and exposure to opportunities in relation to the renewable energy business in France as and when it requires, SEPL, the Company and SGSAS had entered into the SGSAS Call Option and ROFR Deed, whereby the Company is granted an irrevocable assignable call option ("Call Option") by SEPL for the Company to purchase the entire shareholding interest of SGSAS at S$1 and a right of first refusal in respect of the shares in SGSAS held by SEPL.

The Call Option may only be exercised on the date after the SGSAS Call Option and ROFR Deed takes effect and for such indefinite period until termination the SGSAS Call Option and ROFR Deed.

There is no obligation on the Company to exercise the Call Option.

Please see Note 25 for further details in relation to the disposal of SGSAS.

9. Incorporation of Wind Asia Training Pte. Ltd. ("WAPL")

On 21 August 2023, WAPL was incorporated in Singapore with an issued and paid-up share capital of USD1.00 (SGD2) comprising 2 ordinary share held by the Company.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1 GENERAL (CONTINUED)

10. Share Split

    On 19 September 2023, the Company undertook a sub-division of every one (1) Share into 15,600 Shares, pursuant to which 10,401 Shares were sub-divided into 162,255,600 Shares.

The combined financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 30 June 2023 were authorised for issue by the board of directors on 8 January 2024.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ('SFRS(I)s').

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of new and revised standards

On 1 July 2022, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are mandatorily effective and relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's accounting policies and has no material effect on the disclosures or on the amounts reported for current or prior years.

At the date of authorisation of these financial statements, the Group has not applied the new and amendments to SFRS(I) that have been issued but are not yet effective which are relevant to the Group. Management anticipates that the application of the new and amendments to SFRS(I) will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

BASIS OF CONSOLIDATION – combined financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

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

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

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

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

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the combined income statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

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

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

MERGER ACCOUNTING FOR BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL – The combined financial statements incorporates the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities of business came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination, to the extent of the continuation of the controlling party's interest.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The combined statement of profit or loss and other comprehensive income include the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

All significant intercompany transactions and balances between the entities in the Group are eliminated on combination.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the reporting period.

For financial assets other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Foreign exchange gains and losses

The carrying amount of financial assets and liabilities that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically, for financial assets and liabilities measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other gains/(losses)" line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

NOTES TO THE COMBINED FINANCIAL STATEMENT

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience or external credit rating to the debtors (where applicable), adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, such as other receivables, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

<u>Credit-impaired financial assets</u>

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

(i) significant financial difficulty of the issuer or the borrower; or

(ii) a breach of contract, such as a default or past due event; or

(iii) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(iv) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(v) the disappearance of an active market for that financial asset because of financial difficulties.

<u>Write-off policy</u>

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

<u>Measurement and recognition of expected credit losses</u>

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by a group entity are recorded at the proceeds received, net of direct issue costs.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other financial liabilities

Trade and other payables and borrowings are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the combined statement of financial position when the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an administrative expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

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

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

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

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

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

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

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

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss in accordance with the Group's accounting policy for impairment of assets (see below).

EQUIPMENT – Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Office equipment – 3 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the combined financial statements.

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

INTANGIBLE ASSETS – Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised on a straight-line basis over their estimated useful lives on the following bases:

Computer software – 3 years

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPAIRMENT OF NON-FINANCIAL ASSETS – At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

PROVISIONS – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

GOVERNMENT GRANTS – Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION – The Company recognises revenue from the provision of human resource and services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when control of the promised services is transferred to the customer. The Company has generally concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the promised services before transferring them to the customer.

The average credit period for the rendering of services is 30 to 60 days. Management does not assess whether a contract has a significant financing component if the expectation at contract inception is that the period between payment by the customer and the transfer of the services to the customer will be less than one year. The Company does not have any significant financing components or extended payment terms.

Provision of human resource

Revenue from provision of human resource is recognised over time as the customer simultaneously receives and consumes the services the Company provides. Billings are generally negotiated and invoiced on monthly basis as the provision of human resource services are transferred to the customers. The Company has applied the practical expedient to recognise revenue for these services over the term of the agreement in proportion to the amount the Company has the right to invoice the customer.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rendering of services

Revenue from rendering of services is recognised when the services have been performed and rendered at a point in time.

Interest income

Interest income is recognised as interest accrues using the effective interest method.

BORROWING COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the combined statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profit against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity), or where they arise from the initial accounting for a business combination, included in the accounting for the business combination.

For purpose of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies SFRS(I) 1-12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION – The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The presentation currency of the combined financial statements is United States dollar which is the functional currency of the Company.

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rate prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For the purpose of presenting combined financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

CASH AND CASH EQUIVALENTS IN THE COMBINED STATEMENT OF CASH FLOWS – Cash and cash equivalents comprise banks balances and cash on hand that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

SEGMENT REPORTING – An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

Operating segments are reported in a manner consistent with the internal reporting provided to members of management and the chief operating decision makers who are responsible for allocating resources and assessing performance of the operating segments.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY RESOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY RESOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(i) Critical judgements in applying the Group's accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition – agent versus principal considerations

Judgement is required in assessing whether the Group acts as an agent or as a principal in its contractual arrangements for both provision of human resources and provision of ancillary services where subcontractors were engaged. Management determined that the Group has primary responsibility to the customer and bears the credit risk in providing human resources and ancillary services. Accordingly, it is appropriate to adopt principal accounting for the related revenue recognition.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimated impairment of receivables

When measuring the ECL, the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, taking into account cash flows from integral credit enhancements. It is adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectation of future conditions. The carrying amounts of trade and other receivables are disclosed in Note 7 to the combined financial statements.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting year:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$	**US$**	**US$**	**US$**
Financial assets				
Financial assets at amortised cost (including cash and cash equivalents)	**11,566,803**	3,994,327	**1,096,213**	1,088,759
Financial liabilities				
Financial liabilities at amortised cost	**5,627,389**	2,715,106	**581,040**	26,070

(b) *Financial instruments subject to offsetting, enforceable master netting agreement and similar arrangements*

Other than disclosed in Note 5A, the Group does not have financial instruments that are subject to offsetting, enforceable master netting agreement and similar arrangements during the current reporting period.

(c) *Financial risk management policies and objectives*

Management monitors and manages the financial risk relating to operations of the Group to ensure appropriate measures are implemented in a timely and effective manner. These risks include credit risk, liquidity risk and market risk (including currency risks and interest rate risk).

The risk associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(i) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's concentration of credit risk by geographical locations is mainly in Taiwan which accounted for 82% (2022: 67%) of the total financial assets as at 30 June 2023.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(c) *Financial risk management policies and objectives* (Continued)

(i) Credit risk management (Continued)

The trade receivables from the top 5 customers of the Group represents 73% (2022: 59%) of the Group's carrying amount of trade receivables as at 30 June 2023 respectively. In order to minimise the concentration of credit risk, the management has delegated staff responsible to ensure follow-up action is taken to recover overdue debts. In this regards, management of the Group considers that the Group's credit risk is significantly reduced.

At the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the statements of financial position.

Bank balances and cash are placed with banks and financial institutions which are regulated. 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 bank balances and cash have low credit risk based on the external credit ratings of the counterparties and low credit risk of the exposures. The amount of the allowance on cash and cash equivalents was negligible.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its debtors.

The Group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(c) *Financial risk management policies and objectives* (Continued)

(i) Credit risk management (Continued)

The tables below detail the credit quality of the Group's financial assets (other than cash and cash equivalents and pledged deposits) and other items:

	Note	Category	12-month or lifetime ECL	Gross carrying amount US$	Loss allowance US$	Net carrying amount US$
Group						
30 June 2023						
Trade receivables	7	(Note i)	Lifetime ECL	7,278,553	–	7,278,553
Other receivables	7	Performing	12-month ECL	535,837	–	535,837
				7,814,390	–	7,814,390
30 June 2022						
Trade receivables	7	(Note i)	Lifetime ECL	2,786,385	–	2,786,385
Other receivables	7	Performing	12-month ECL	64,629	–	64,629
Amount due from related companies	5A	Performing	12-month ECL	167,373	–	167,373
				3,018,387	–	3,018,387
Company						
30 June 2023						
Amount due from related companies	5A	Performing	12-month ECL	1,090,793	–	1,090,793
30 June 2022						
Amount due from related companies	5A	Performing	12-month ECL	601,788	–	601,788

(i) The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

For purpose of impairment assessment, other receivable and amount due from related companies are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(c) *Financial risk management policies and objectives* (Continued)

(ii) Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet their financial obligations as they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effect of fluctuations in cash flows.

Liquidity and interest risk analysis

Non-derivative financial liabilities

The following table shows the cash flows of financial liabilities based on the earliest dates on which the Group is required to pay. The table includes both interest and principal cash flows. The adjustment column represents future interest which are not included in the carrying amounts of financial liabilities carried in the statements of financial position.

	Weighted average effective interest rate %	On demand or within 1 year US$	Within 2 to 5 years US$	Adjustment US$	Total US$
Group					
30 June 2023					
Non-interest bearing	–	5,187,899	–	–	5,187,899
Borrowings					
– Fixed interest rate	5.53%	448,600	–	(9,110)	439,490
Lease liabilities					
– Fixed interest rate	1.48%	57,320	50,497	(5,360)	102,457
Total		5,693,819	50,497	(14,470)	5,729,846
30 June 2022					
Non-interest bearing	–	2,715,106	–	–	2,715,106
Lease liabilities					
– Fixed interest rate	1.48%	17,932	–	(66)	17,866
Total		2,733,038	–	(66)	2,732,972
Company					
30 June 2023					
Non-interest bearing	–	581,040	–	–	581,040
30 June 2022					
Non-interest bearing	–	26,070	–	–	26,070

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(c) *Financial risk management policies and objectives* (Continued)

(iii) Market risk

Currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

At the reporting date, the carrying amounts of monetary assets (including intercompany receivables) and monetary liabilities (including intercompany payables) denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$	**US$**	**US$**	**US$**
Assets				
New Taiwan Dollar	**2,167,590**	497,436	**–**	–
Singapore Dollar	**70,000**	501,004	**2,845**	484,287
Liabilities				
United States Dollar	**949,471**	562,817	**–**	–
New Taiwan Dollar	**352,345**	–	**–**	–
Singapore Dollar	**706,939**	96,070	**304,885**	–
Thai Baht	**–**	745,695	**–**	–
Indonesian Rupiah	**12,478**	603,694	**–**	–

The Group has investment in foreign subsidiaries, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(c) *Financial risk management policies and objectives* (Continued)

(iii) Market risk (Continued)

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each group entity. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

If the relevant foreign currency strengthens by 10% against the functional currency of the Group entities, the Group's profit will increase/(decrease) by:

	Group		**Company**	
	2023	**2022**	**2023**	**2022**
	US$	**US$**	**US$**	**US$**
US$ impact	**(94,947)**	(56,282)	**–**	–
NTD impact	**181,525**	49,744	**–**	–
SG$ impact	**(63,694)**	40,493	**(30,201)**	48,429
THB impact	**–**	(74,570)	**–**	–
IDR impact	**(1,248)**	(60,369)	**–**	–

If the relevant foreign currency weakens by 10% there would be an equal and opposite impact on the Group's profit or loss shown above, on the basis that all other variables remain constant.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk management

No interest rate sensitivity was performed since the Group's exposure to interest rate risk on their interest-bearing financial instruments is not significant.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(c) *Financial risk management policies and objectives* (Continued)

(iv) Fair value of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities recorded at amortised cost approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(d) *Capital management policies and objectives*

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt and equity attributable to owners of the Company, which comprises issued capital, reserves and accumulated profits.

The Group's overall strategy remains unchanged from 2022.

5A HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a subsidiary of Sheffield Energies Pte Ltd, a company incorporated in Singapore, which is the ultimate holding company. The ultimate controlling party is a director of the Company, Mr. Kee Boo Chye who is the controlling shareholder of the ultimate holding company.

Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the transactions and arrangements are between members of the Group and the effect of these on the basis determined between parties is reflected in these financial statements.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

5A HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS (CONTINUED)

Other than those disclosed elsewhere in the combined financial statements, significant related company transactions include the following:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$	**US$**	**US$**	**US$**
Receipt on behalf by related companies	**(1,231,245)**	(833,545)	**–**	–
Payment on behalf by related companies	**5,588,062**	602,963	**–**	711
Advances from/(to) related companies	**235,359**	399,235	**(521,816)**	(582,219)
Repayment of advances (from)/to related company	**(123,794)**	(183,000)	**42,520**	–
(Repayment)/receipt of balances with related companies	**(7,059,611)**	35,511	**–**	–
Supply of workers	**2,786,444**	160,369	**–**	–
Management and service fees	**27,220**	80,839	**–**	–
Recharge of rental expenses	**24,450**	24,000	**–**	–
Tax losses arising from renewables energy business utilised by SEPL	**–**	(3,869)	**–**	–

The intercompany balances are unsecured, interest free and repayable on demand unless otherwise stated as follow:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$	**US$**	**US$**	**US$**
<u>Amount due from related companies</u>				
Trade receivables from related companies	**–**	740,998	**1,090,793**	601,788
Non-trade payables to related companies	**–**	(573,625)	**–**	–
	–	167,373	**1,090,793**	601,788

For the purpose of impairment assessment, amount due from related companies are considered to have low credit risk as they are not due for payment as at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to the 12-month ECL.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

5A HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS (CONTINUED)

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$	**US$**	**US$**	**US$**
Amount due to related companies				
Trade receivables from related companies	**565,947**	–	**–**	–
Non-trade receivables from related companies	**23,789**	–	**–**	–
Trade payables to related companies	**(232,258)**	(1,070,493)	**–**	–
Non-trade payables to related companies	**(748,872)**	(21,669)	**(19,568)**	(20,279)
	(391,394)	(1,092,162)	**(19,568)**	(20,279)

Trade receivables from related companies comprises of receipt on behalf by related companies net with payment on behalf by the same related companies.

Trade payables to related companies comprises of payment on behalf by related companies net with receipt on behalf by the same related companies, service fee and supply of workers.

Non-trade payables to related companies comprise of advances and recharge of rental expenses from related companies.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

5B RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these combined financial statements. The balances are unsecured, interest-free, repayable on demand unless otherwise stated.

During the year, the Group and Company entered into the following transactions with related parties:

Compensation of directors and key management personnel

The remuneration of directors and of the key management are as follows:

	Group	
	2023	**2022**
	US$	**US$**
Short-term employee benefits	**581,151**	185,707
Post-employment benefits	**73,923**	44,849
	655,074	230,556

6 CASH AND CASH EQUIVALENTS

As at each reporting year end, cash and cash equivalents of the Group and Company comprised of cash at banks and cash on hand.

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$	**US$**	**US$**	**US$**
Cash on hand	**20,756**	10,583	**–**	–
Cash at banks	**3,624,189**	763,750	**5,420**	486,971
	3,644,945	774,333	**5,420**	486,971
Pledged deposit (Note A)	**11,064**	–	**–**	–
Pledged deposit (Note B)	**96,404**	100,804	**–**	–
Pledged deposit (Note C)	**–**	100,803	**–**	–
	107,468	201,607	**–**	–
Analysed as:				
Non-current	**107,468**	201,607	**–**	–

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

6 CASH AND CASH EQUIVALENTS (CONTINUED)

Note A: The deposit is pledged as a security for Group's credit card facility which carry an interest rate of 1% per annum. Management intends to continue the credit card facility and maturity of the pledged deposit has extended to November 2024 subsequent to year end.

Note B: Pledged deposits carry an interest rate of 0.04% per annum and matures in March 2024 and subject to annual renewal. The deposit is pledged by SGAPL as security for banker's guarantee to be provided to the Taiwan authorities for holding local recruitment licenses. As renewal is unconditional and required for the Group to carry out its operations in Taiwan, management is of the view that this deposit is a non-current asset.

Note C: Pledged deposits carry an interest rate of 0.04% per annum and matures in November 2023. The deposit is pledged by SEPL as security for banker's guarantee to be provided to the Taiwan authorities for holding local recruitment licenses. Arising from the transfer of the Renewable Energy Business from SEPL to SGAPL (Note 1), the pledged deposit was settled through the Company's receivable balance with SEPL (Note 5A) during the financial year ended 30 June 2023.

7 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$	**US$**	**US$**	**US$**
Trade receivables – third parties	**3,348,598**	1,611,030	**–**	–
Unbilled receivables	**3,929,955**	1,175,355	**–**	–
	7,278,553	2,786,385	**–**	–
Deposits	**197,387**	6,512	**–**	–
Prepaid expenses	**145,141**	49,723	**20,945**	–
Advances to employees	**279,578**	1,848	**–**	–
Value added tax receivables	**12,502**	24	**–**	–
Deferred listing expenses(i)	**95,654**	–	**95,654**	–
Others(ii)	**58,872**	56,269	**–**	–
	8,067,687	2,900,761	**116,599**	–

(i) Deferred listing expenses represent deferred professional fees incurred in connection with the listing of the Company, which will be subsequently net-off against proceeds received from issuance of shares.

(ii) The balance are non-trade related, unsecured, non-interest bearing and repayable on demand.

As at 1 July 2022, trade receivables from contracts with customers amounted to US$998,850 (net of loss allowance of US$Nil).

The carrying values of trade receivables approximate their fair values. The Group grants credit term to customers of typically 30 to 60 days from invoice date for trade receivables to all customers during the current reporting period. No interest is charged on the outstanding balances.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

7 TRADE AND OTHER RECEIVABLES (CONTINUED)

Unbilled receivables represent the Group's unconditional right to consideration which the Group has satisfied the performance obligation by transferring the human resources services to the customer. The customer has obtained control of the human resources services and only a passage of time is required before the Group issues the trade invoice based on the billing milestone. As at 30 June 2023, approximately US$2.7 million of the unbilled receivables relates to a single customer which had been billed and collected subsequent to the end of the financial year.

Trade receivables

Majority of the Group's trade receivables that are neither past due nor impaired have good credit quality with reference to respective settlement history.

The Group applied simplified approach to provide the expected credit losses prescribed by SFRS(I) 9. The impairment methodology and the credit risk assessment are set out in Notes 3 and 4(c)(i).

The ECL of trade receivables are measured using a provision matrix by reference to past default experience and current past due exposure of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast direction of conditions at the reporting date. There has been no changes in the estimation techniques or significant assumption made during the current reporting period.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimate of future economic conditions. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Not past due US$	≤ 30 days US$	31 to 60 days US$	61 to 90 days US$	90 to 120 days US$	Total US$
Group						
30 June 2023						
Estimated total gross carrying amount at default	**2,781,004**	**313,959**	**102,615**	**105,172**	**45,848**	**3,348,598**
30 June 2022						
Estimated total gross carrying amount at default	560,957	953,791	79,843	16,439	–	1,611,030

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

7 TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables (Continued)

As at 30 June 2023, the Group and Company did not recognise impairment allowance as ECL was determined to be insignificant (30 June 2022: Nil).

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Other receivables

For the purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment as at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to the 12-month ECL.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

8 EQUIPMENT

	Office equipment US$
Group	
Cost:	
At 1 July 2021	33,394
Additions	6,411
Exchange alignment	(2,054)
At 30 June 2022	37,751
Additions	25,743
Exchange alignment	(1,214)
At 30 June 2023	**62,280**
Accumulated depreciation:	
At 1 July 2021	7,190
Depreciation expense	7,603
Exchange alignment	(667)
At 30 June 2022	14,126
Depreciation expense	12,030
Exchange alignment	(6,722)
At 30 June 2023	**19,434**
Carrying amount:	
At 30 June 2023	**42,846**
At 30 June 2022	23,625

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

9 INTANGIBLE ASSETS

	Computer software US$
Group	
Cost:	
At 1 July 2021	5,803
Additions	3,015
Exchange alignment	(360)
At 30 June 2022	8,458
Additions	3,756
Exchange alignment	(423)
At 30 June 2023	**11,791**
Accumulated amortisation:	
At 1 July 2021	1,148
Amortisation expense	2,080
Exchange alignment	(184)
At 30 June 2022	3,044
Amortisation expense	3,123
Exchange alignment	(177)
At 31 March 2023	**5,990**
Carrying amount:	
At 30 June 2023	**5,801**
At 30 June 2022	5,414

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

10 RIGHT-OF-USE ASSETS

	Office US$
Group	
Cost:	
At 1 July 2021	89,819
Exchange alignment	(17,184)
At 30 June 2022	72,635
Additions	155,748
Exchange alignment	(7,737)
At 30 June 2023	**220,646**
Accumulated depreciation:	
At 1 July 2021	16,331
Charge for the year	46,970
Exchange alignment	(10,476)
At 30 June 2022	52,825
Charge for the year	72,675
Exchange alignment	(5,501)
At 30 June 2023	**119,999**
Carrying amount:	
At 30 June 2023	**100,647**
At 30 June 2022	19,810

The Group leases an office with average lease term of 3 years (30 June 2022: 2 years).

The Group does not have the option to purchase the leased assets for a nominal amount at the end of the lease term.

New lease commenced during financial year ended 30 June 2023, resulting in additions to right-of-use assets of US$155,748 (30 June 2022: US$Nil).

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

11 INVESTMENT IN SUBSIDIARIES

	Company	
	2023	**2022**
	US$	**US$**
Unquoted equity investment, at cost	**472,298**	5
Less: Impairment loss	**(21,913)**	–
	450,385	5

Movement in impairment loss

	Company	
	2023	**2022**
	US$	**US$**
Balance at beginning of the year	**–**	–
Impairment charged during the year	**21,913**	–
Balance at end of the year	**21,913**	–

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interest and voting power held 2023 %	2022 %	Principal activities
Sheffield Green (Asia) Pte. Ltd. ("SGAPL")[1, 4]	Singapore	**100**	100	Provision of human resources and services in the renewable energy industry
Sheffield Green SAS ("SGSAS")[2, 4]	France	**100**	100	Provision of human resources and services in the renewable energy industry
Sheffield Green K.K. ("SGKK")[3, 4]	Japan	**100**	100	Handling workers dispatching undertaking business, fee-charging employment placement business and various technical and engineering services
<u>Held by subsidiary</u>				
Sheffield Green (Asia) Pte. Ltd., Taiwan Branch ("SGAPL (Taiwan Branch)")[1, 5]	Taiwan	**100**	100	Provision of human resources and services in renewable energy industry

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

11 INVESTMENT IN SUBSIDIARIES (CONTINUED)

[1] The subsidiary was incorporated by the Company on 18 November 2021. On 22 March 2022, Sheffield Green (Asia) Pte. Ltd. Taiwan Branch ("SGAPL (Taiwan Branch)") was registered in Taiwan as a foreign branch of SGAPL.

[2] The entire shareholding interest of SGSAS was transferred from SEPL to the Company on 21 March 2022. On 31 July 2023, the Company entered into a share sales and purchase agreement with SEPL pursuant to which the Company transferred its entire shareholding interest in SGSAS to SEPL for a nominal consideration of US$4 (S$5).

Please see Note 25 for further details in relation to the disposal of SGSAS.

[3] On 1 July 2023, the entire shareholding interest of SGKK was transferred from SEPL to the Company. On 20 September 2023, the name of Sheffield Energy K.K. was changed to Sheffield Green K.K..

[4] Audited by Deloitte Touche LLP, Singapore for group consolidation purpose.

[5] Audited by overseas practices of Deloitte Touche Tohmatsu Limited for group consolidation purpose.

12 TRADE AND OTHER PAYABLES

	Group		Company	
	30 June 2023 US$	**30 June 2022 US$**	**30 June 2023 US$**	**30 June 2022 US$**
Trade payables – third parties	**1,588,126**	292,810	**–**	–
Accrued trade expenses	**2,124,175**	1,055,448	**–**	–
	3,712,301	1,348,258	**–**	–
Accrued non-trade expenses	**860,961**	239,245	**425,570**	5,791
Amount payable for listing expenses	**135,902**	–	**135,902**	–
Value added tax payables	**52,890**	97,792	**–**	–
Others	**87,341**	35,441	**–**	–
	4,849,395	1,720,736	**561,472**	5,791

The credit period on purchases is generally 30 to 90 days for financial year ended 30 June 2023 (30 June 2022: 30 to 90 days). No interest is charged on the outstanding balances.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

13 LEASE LIABILITIES

	30 June 2023 US$	30 June 2022 US$
Group		
Maturity analysis:		
Year 1	**57,320**	17,932
Year 2	**50,497**	–
Less: Unearned interest	**(5,360)**	(66)
	102,457	17,866
Analysed as:		
Current	**53,574**	17,866
Non-current	**48,883**	–
	102,457	17,866

The Group does not face a significant liquidity risk with regard to its lease liabilities.

The total cash outflow for leases amount to US$68,911 for financial year ended 30 June 2023 (30 June 2022: US$50,308).

As at 30 June 2023, the Group is committed to US$7,707 for short-term leases (30 June 2022: US$Nil).

14 BORROWINGS

	30 June 2023 US$	30 June 2022 US$
Group		
Unsecured borrowings at amortised cost		
Short term loan[(a)]	**439,490**	–
Analysed as:		
Current	**439,490**	–

(a) An unsecured loans of TWD7,000,000 and TWD16,000,000 due for repayment in full on 24 February 2024 carrying fixed interest rate of 5.72% and 5.52% per annum respectively.

14 BORROWINGS (CONTINUED)

As at 30 June 2023, the Group held a credit card facility with credit limit of S$15,000. There is no outstanding balance as at the end of the reporting period.

The director of the Company has provided personal guarantee for the short term loan and credit card facility held by the Group.

The holding company of the Company has provided corporate guarantee for the credit card facility held by the Group.

15 SHARE CAPITAL

	Number of shares	Share capital US$
Company		
Issued and paid-up share capital of the Company:		
At date of incorporation	2	1
Shares issued during the year	9,898	1,092,301
At 30 June 2022	9,900	1,092,302
Shares issued during the year	500	338,880
Arising from group restructuring (Note 1)	–	450,380
At 30 June 2023	**10,400**	**1,881,562**

The Company was incorporated on 4 October 2021. The share capital in the statement of financial position as at 30 June 2022 and 30 June 2023 represent the aggregate amount of the paid-up share capital of the Company and the Group's share of the paid-up share capital of the subsidiary, SGKK, amounting to US$186,000 comprising of 20,000,000 ordinary shares.

On 21 March 2022, SEPL entered into a shares sales and purchase agreement with the Company pursuant to which SEPL transferred its entire shareholding interest in SGSAS (formerly known as Sheffield Energy SAS) to the Company for a nominal consideration of US$4 (S$5).

On 2 June 2022, 8,698 news shares amounting to US$223,617 (S$304,430) was allotted and issued to the Holdco.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

15 SHARE CAPITAL (CONTINUED)

From 6 June 2022 to 21 December 2022, the Company allotted and issued 1,700 ordinary shares in the Company to 17 individual investors, resulting in the current issued and paid-up share capital of the Company to be US$1,431,182 (S$2,004,432) comprising 10,400 ordinary shares, in the following manner:

- 1,200 ordinary shares amounting to US$868,684 (S$1,200,000) in financial year ended 30 June 2022; and
- 500 ordinary shares amounting to US$338,880 (S$500,000) in financial year ended 30 June 2023.

On 1 July 2022, SEPL transferred the Renewable Energy Business industry to SGAPL for a consideration of US$450,380 based on the net asset value of the Renewable Energy Business which was settled through an increase in share capital of the Company amounting to US$450,380 (S$614,326).

Subsequent to year end, the Company had issued one share in its capital to the Holdco as settlement of the BTA Consideration (Note 1 item 7) owed by the Company to the Holdco and undertook a sub-division of every one (1) Share into 15,600 Shares, pursuant to which 10,401 Shares were sub-divided into 162,255,600 Shares.

16 MERGER RESERVES

This represents the difference between the consideration and the aggregate nominal amount of the share capital of the entities under common control at the date when these entities were combined as part of the restructuring exercise of the Group which was completed before the beginning of the current reporting period.

17 REVENUE

	30 June 2023 US$	**30 June 2022 US$**
Timing of revenue recognition		
Over time:		
Provision of human resource	**26,353,405**	6,846,179
At point in time:		
Ancillary Services	**1,257,314**	923,631
	27,610,719	7,769,810

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

18 FINANCE COSTS

	30 June 2023 US$	30 June 2022 US$
Interest expense on bank borrowings	**11,622**	–
Lease liabilities	**4,481**	715
	16,103	715

19 OTHER LOSSES

	30 June 2023 US$	30 June 2022 US$
Interest income	**87**	60
Grant income	**6,707**	–
Net foreign exchange loss	**(145,792)**	(131,978)
Others	**(597)**	85
	(139,595)	(131,833)

20 INCOME TAX EXPENSE

	30 June 2023 US$	30 June 2022 US$
Income tax:		
– Current	**1,290,579**	50,571
– Underprovision in prior years	**–**	390
Total income tax expense	**1,290,579**	50,961

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

20 INCOME TAX EXPENSE (CONTINUED)

The Company and SGAPL are incorporated in Singapore.

Income tax for Singapore incorporated companies is calculated at 17% of the estimated assessable income for the year.

SGAPL Taiwan branch incorporated in Taiwan and the Company's subsidiaries incorporated in France and Japan were subject to income tax charges calculated according to the tax laws enacted or substantially enacted in the countries where they operate and generate income.

The statutory tax rates for SGAPL's branch in Taiwan and the Company's subsidiaries in France and Japan were 20%, 25% and 15%, respectively.

The current tax charge for each reporting year end can be reconciled to the profit (loss) before tax per the combined statement of profit or loss and other comprehensive income as follows:

	30 June 2023 US$	**30 June 2022 US$**
Profit (Loss) before tax	**4,756,064**	(100,903)
Tax at statutory rate at 17%	**808,531**	(17,154)
Tax effect of expenses that are not deductible in determining taxable profit	**161,577**	23,857
Tax effect of income that are not taxable in determining taxable profit	**–**	(4,265)
Effects of different tax rates of subsidiaries operating in other jurisdictions	**190,487**	(20,721)
Tax exempt income, net of non-deductible expenses	**–**	(2,569)
Deferred tax assets not recognised	**128,678**	71,423
Under provision of current year tax in prior years	**–**	390
Others	**1,306**	–
	1,290,579	50,961

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

21 PROFIT (LOSS) FOR THE YEAR

Profit (Loss) has been arrived at after charging:

	30 June 2023 US$	30 June 2022 US$
Depreciation of equipment	**12,030**	7,603
Amortisation of intangible asset	**3,123**	2,080
Depreciation of right-of-use asset	**72,675**	46,970
Expense relating to short-term leases	**33,775**	38,759
Directors' remuneration	**307,179**	48,613
Other staff costs:		
– Salaries and other benefits	**19,930,416**	6,213,635
– Cost of defined contribution plans	**190,368**	112,787
Total staff costs	**20,427,963**	6,375,035
Salaries and other benefits recognised as cost of sales[1]	**18,988,517**	5,739,450
Salaries and other benefits recognised as administrative expenses	**1,439,446**	635,585
Total staff costs	**20,427,963**	6,375,035
Audit fees:		
– Auditors of the Company and Deloitte network firms	**133,767**	13,030
Non-audit fees:		
– Auditors of the Company and Deloitte network firms[2]	**261,572**	14,519
Aggregate amount of fees paid or payable to auditors	**395,339**	27,519

1 This includes staff costs charged by subcontractors for workers who are not directly employed by the Group.

2 The non-audit fees paid or payable to the auditors of the Company and Deloitte network firms include fees for audit-related services of US$258,647 (2022: US$14,519). Included in deferred listing expenses (Note 7) as at 30 June 2023 are non-audit fees for audit-related services of US$40,421 (2022: US$Nil) paid to auditors of the Company and Deloitte network firms.

22 EARNINGS (LOSS) PER SHARE

The basic earnings (loss) per share is calculated based on the profit (loss) for each period and 162,255,600 shares after adjusting for the share split.

The fully diluted earnings (loss) per share and basic earnings (loss) per share are the same because there is no dilutive share.

NOTES TO THE COMBINED
FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

23 SEGMENT INFORMATION

Reportable segment

Information reported to the Group's chief operating decision maker ("CODM") for the purposes of resource allocation and assessment of segment performance is specifically focused on the business of provision of human resource and the business of providing ancillary services which forms the basis of identifying the operating segments of the Group under SFRS(I) 8 *Operating Segments*.

The Group has 2 reportable segments, as described below, which offer different services, and are managed separately. For each of the reporting segment, the CODM reviews the internal management report on periodic basis.

The following describes the operations in each of the Group's reportable segments:

Segment	**Principal activities**
Provision of human resource	Provision of human resources in the renewable energy industry.
Ancillary services	Provision of a range of end-to-end ancillary services related to the provision of personnel and include visa and work permit application, training and deployment logistics.

Segment results

	Provision of human resource US$	**Ancillary services US$**	**Total US$**
Year ended 30 June 2023			
Revenue	**26,353,405**	**1,257,314**	**27,610,719**
Cost of sales	**(18,988,517)**	**(886,470)**	**(19,874,987)**
Gross profit	**7,364,888**	**370,844**	**7,735,732**
Administrative expenses			**(2,823,970)**
Finance costs			**(16,103)**
Other losses			**(139,595)**
Profit before tax			**4,756,064**
Income tax expense			**(1,290,579)**
Profit for the year			**3,465,485**

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

23 SEGMENT INFORMATION (CONTINUED)

Segment results (Continued)

	Provision of human resource US$	Ancillary services US$	Total US$
Year ended 30 June 2022			
Revenue	6,846,179	923,631	7,769,810
Cost of sales	(5,739,450)	(799,070)	(6,538,520)
Gross profit	1,106,729	124,561	1,231,290
Administrative expenses			(1,199,645)
Finance costs			(715)
Other losses			(131,833)
Loss before tax			(100,903)
Income tax expense			(50,961)
Loss for the year			(151,864)

Segment assets and liabilities are not regularly reported to the board of directors of the Company and is not reported.

The accounting policies of the reportable segment are the same as the Group's accounting policies. Segment profit (loss) represents the profit (loss) earned by each segment without allocation of administrative expenses, finance costs, other losses and income tax. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Geographical information

Geographically, management reviews the performance of the businesses in Singapore, Taiwan, France and Japan.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of external customers' operations. Non-current assets other than pledged deposits are based on the geographical location of the assets.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

23 SEGMENT INFORMATION (CONTINUED)

	Revenue from external customers	
	30 June 2023 US$	**30 June 2022 US$**
Taiwan	**25,188,702**	6,642,945
France	**2,275,454**	987,593
Japan	**146,563**	139,272
	27,610,719	7,769,810

	Non-current assets	
	30 June 2023 US$	**30 June 2022 US$**
Singapore	**3,552**	915
Taiwan	**125,328**	24,818
France	**3,204**	2,696
Japan	**17,210**	20,420
	149,294	48,849

<u>Information about major customers</u>

The revenue from customer that individually contributed more than 10% of the Group's total revenue during the current reporting periods are as follow:

	30 June 2023 US$	**30 June 2022 US$**
Customer A	**9,496,776**	3,168,185
Customer B	*****	795,899
Customer C	**10,922,613**	*

* The corresponding revenue did not contribute over 10% of the total revenue of the Group for the reporting period.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

24 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's combined statement of cash flows as cash flows from financing activities.

	1 July 2022 US$	Financing cash flows (Note i) US$	Non-cash changes: Foreign exchange movement US$	Non-cash changes: New lease liabilities US$	30 June 2023 US$
Group					
Borrowings (Note 14)	–	454,052	(14,562)	–	**439,490**
Lease liabilities (Note 13)	17,866	(68,911)	(2,246)	155,748	**102,457**
	17,866	385,141	(16,808)	155,748	**541,947**

	1 July 2021 US$	Financing cash flows US$	Non-cash changes: Foreign exchange movement US$	Non-cash changes: New lease liabilities US$	30 June 2022 US$
Group					
Lease liabilities (Note 13)	74,566	(50,308)	(6,392)	–	17,866

(i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

25 SUBSEQUENT EVENTS

Disposal of SGSAS

In order to supply and/or deploy personnel and manpower to its French clients, SGSAS would enter into contracts with and use the services of third-party umbrella companies, called "portage companies" ("Portage Companies"). Such deployed personnel are not kept on the payroll of SGSAS but kept on the payroll and employed by Portage Companies. Although the Group understands that such practice is not uncommon, the use of Portage Companies is governed by French labour laws and are only available to for tasks which are occasional and does not fall within the normal and permanent activity of the user company. As it is not clear how the above reference to normal and permanent activity of the user company may be applied to SGSAS, SGSAS may not be fully compliant with French labour laws.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

25 SUBSEQUENT EVENTS (CONTINUED)

Disposal of SGSAS (Continued)

As of the date of this report, there has been no legal and regulatory compliance issues in France resulting in any actions, including inspections and audits, by regulatory authorities in relation to the SGSAS Portage Companies Issues.

However, in order to ring-fence such potential legal risks to the Group, on 31 July 2023, the Company entered into a share sale and purchase agreement ("SGSAS SPA") with SEPL pursuant to which the Company transferred its entire shareholding interest in SGSAS to SEPL for nominal consideration of US$4 (S$5) and, as a result, SGSAS became a wholly owned subsidiary of SEPL, a related company of the Group.

In addition, pursuant to the SGSAS SPA, SEPL will indemnify and save harmless the Company from and against any and all losses which the Company may at any time and from time to time sustain, incur or suffer by reason of or in relation to, including, but not limited to, the following events:

(a) any breach of any representation, warranty, undertaking or obligation of or given by SEPL under the SGSAS SPA;

(b) whether directly or indirectly, in relation to any claims brought against SGSAS or the Company and its officers arising out of or in connection with any legal and regulatory compliance issues, including any issue pertaining to the use of 'portage' companies by SGSAS;

(c) any sums payable by SGSAS to the Company (including, but not limited to, the receivables in the sum of EUR1,157,272 based on the outstanding balance as at 31 August 2023 which shall be payable within a period of twelve (12) months from the date of closing on 5 September 2023);

(d) the failure to comply with any applicable laws in conducting the business of SGSAS; and

(e) any tax claim against SGSAS whether arising directly or indirectly the matters set out in sub-paragraph (b) above or otherwise.

The directors of the Company, taking into consideration of legal advice, are of the view that the disposal of SGSAS as described above would isolate the Group from any potential legal risks from the usage of Portage Companies in France and SEPL has the financial ability to provide the indemnity described above.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

25 SUBSEQUENT EVENTS (CONTINUED)

Disposal of SGSAS (Continued)

As a result of the above, SGSAS was transferred by the Company to SEPL in view that there may be legal and regulatory compliance issues in relation to the business of SGSAS in France which may need to be regularised.

In order to allow the Group to have future access and exposure to opportunities in relation to the renewable energy business in France as and when it requires, SEPL, the Company and SGSAS had entered into a deed of call option and right of first refusal dated 31 July 2023 ("SGSAS Call Option and ROFR Deed") in favour of the Company, whereby the Company is granted an irrevocable assignable call option ("Call Option") by SEPL for the Company to purchase the entire shareholding interest of SGSAS at S$1 and a right of first refusal in respect of the shares in SGSAS held by SEPL.

The Call Option may only be exercised on the date after the SGSAS Call Option and ROFR Deed takes effect and for such indefinite period until termination the SGSAS Call Option and ROFR Deed.

There is no obligation on the Company to exercise the Call Option.

Summarised financial information in respect of SGSAS are as follow, representing amounts before intragroup eliminations:

	30 June 2023 US$	**30 June 2022 US$**
Current assets	**204,226**	479,458
Non-current assets	**3,204**	2,696
Current liabilities	**(676,072)**	(889,498)
Equity attributable to owners of the Company	**(468,642)**	(407,344)

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

25 SUBSEQUENT EVENTS (CONTINUED)

Disposal of SGSAS (Continued)

The following details relate to SGSAS revenue and results by reportable segments:

	Provision of human resource US$	Ancillary services US$	Total US$
Year ended 30 June 2023			
Revenue	**2,184,681**	**90,773**	**2,275,454**
Cost of sales	**(1,958,864)**	**(89,548)**	**(2,048,412)**
Gross profit	**225,817**	**1,225**	**227,042**
Administrative expenses			**(324,809)**
Other gains			**33,791**
Loss after tax			**(63,976)**
Year ended 30 June 2022			
Revenue	944,228	43,365	987,593
Cost of sales	(879,567)	(42,413)	(921,980)
Gross profit	64,661	952	65,613
Administrative expenses			(207,810)
Other losses			(59,326)
Loss after tax			(201,523)

Geographical information

Revenue from external customers and non-current assets recorded by the Group which are disclosed as arising from France in Note 23 are contributed solely by SGSAS. Major customers of the Group are not transacted under SGSAS.

Incorporation of WATPL

On 21 August 2023, WATPL was incorporated in Singapore with an issued and paid-up share capital of US$1 (SG$2) comprising 2 ordinary shares held by the Company.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

25 SUBSEQUENT EVENTS (CONTINUED)

Listing of the Company

On 19 September 2023, the Company was converted into a public limited company and changed its name to "Sheffield Green Ltd".

At an extraordinary general meeting held on 19 September 2023, the shareholders of the Company approved, among others, the following:

(a) the conversion of the Company into public limited company and the consequential name to "Sheffield Green Ltd.";

(b) the adoption of a new constitution; and

(c) the sub-division of every one (1) share to 15,600 shares, whereupon the issued and paid-up share capital shall remain at approximately US$1,881,562 (S$2,604,248) comprising 162,255,600 shares.

On 30 October 2023, the Company was listed on Catalist and issued 24,000,000 offering shares at S$0.25 per share, raising S$6,000,000 from the offering.

Acquisition of Semticobe Investments Sp. z o.o. ("Semticobe Investments")

On 13 December 2023, the Company acquired the entire share capital of Semticobe Investments, comprising of 100 ordinary shares, from a third party for a purchase consideration of approximately US$3,168 (EUR2,890) comprising of purchase price of approximately US$2,138 (EUR1,950) and return of funds held in Semticobe Investments to the vendor of approximately US$1,030 (EUR940). Semticobe Investments is a Denmark company with provision of human resources and services in the renewable energy industry as its principal activity. As at the date of acquisition, the Semticobe Investments had not commenced any commercial activities and was dormant.

Dividend

On 26 December 2023, the Company proposed final one-tier tax exempt dividend of one Singapore cent per ordinary share for the financial year ended 30 June 2023, which is subject to shareholders' approval at the Annual General Meeting.

NOTES TO THE COMBINED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

25 SUBSEQUENT EVENTS (CONTINUED)

Capital Commitments

Subsequent to the end of the financial year, the Group has capital expenditures commitments for the development of training modules accredited by GWO and construction of plant and equipment as part of its plans to establish a training centre in Taiwan amounting to approximately US$281,920 (GBP226,952) and US$409,644 (GBP329,773) respectively.

STATISTICS OF SHAREHOLDINGS

SHARE CAPITAL

Number of Shares Issued	:	186,255,600
Class of Shares	:	Ordinary
Voting Rights	:	One Vote Per Share
No. of Treasury Shares and Subsidiary Holdings	:	Nil

ANALYSIS OF SHAREHOLDERS BY RANGE

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	–	–	–	–
100 – 1,000	34	9.88	32,100	0.02
1,001 – 10,000	137	39.83	798,900	0.43
10,001 – 1,000,000	162	47.09	19,907,000	10.69
1,000,001 & above	11	3.20	165,517,600	88.86
TOTAL	**344**	**100.00**	**186,255,600**	**100.00**

TOP TWENTY SHAREHOLDERS

No.	Name	No. of Shares	% of Issued Share Capital
1	SHEFFIELD ENERGIES PTE. LTD.	135,735,600	72.88
2	WEE CHOO CHUAN	10,000,000	5.37
3	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	6,282,000	3.37
4	LIM CHIN HIAN	2,410,000	1.29
5	LEE SWEE KENG	1,780,000	0.96
6	POH HENG	1,750,000	0.94
7	LIM ENG HOCK	1,590,000	0.85
8	TAN MAH CHEOW	1,560,000	0.84
9	WANG TIECHENG	1,560,000	0.84
10	YEE CHIA HSING	1,560,000	0.84
11	TAN KENG CHUNG EDWIN (CHEN JINGCAN EDWIN)	1,290,000	0.69
12	CHUA KIAN LIN	900,000	0.48
13	CHONG SIONG ENG ROLAND	800,000	0.43
14	SOH CHUN BIN (SU CHUNBIN)	800,000	0.43
15	TAN CHUU SI (CHEN ZHUXI)	800,000	0.43
16	CHAN YA YI	780,000	0.42
17	SEAH BOON HWA	780,000	0.42
18	SEAH CHONG POK	780,000	0.42
19	SIA LING SING	780,000	0.42
20	LUM MAY FUN	630,000	0.34
	TOTAL	**172,567,600**	**92.66**

STATISTICS OF SHAREHOLDINGS

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

		Direct Interest		Deemed Interest	
No.	Name	No. of Shares	%	No. of Shares	%
1	SHEFFIELD ENERGIES PTE. LTD.	135,735,600	72.88	–	–
2	KEE BOO CHYE[1]	–	–	135,735,600	72.88
3	WEE CHOO CHUAN	10,000,000	5.37	–	–

Note:
(1) Mr. Kee Boo Chye is deemed interested in the shares held by Sheffield Energies Pte. Ltd.

PUBLIC SHAREHOLDINGS

Based on the information available to the Company as at 22 December 2023, approximately 21.70% of the Company's issued ordinary shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist issued by SGX-ST.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Key information regarding the Retiring Directors who have been nominated for re-election as Directors of the Company are set out below:

Name of Director	Mr. Liang Shian On	Dr. Ong Seh Hong	Mr. Tan Kheng Soon	Ms. Tan Yuni
Date of Initial Appointment	19 September 2023	19 September 2023	19 September 2023	19 September 2023
Date of last re-appointment	N.A.	N.A.	N.A.	N.A.
Age	46	61	63	28
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Liang as the Lead Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and independence.	The re-election of Dr. Ong as the Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and independence.	The re-election of Mr. Tan as the Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and independence.	The re-election of Ms. Tan as the Non-Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration her qualifications, expertise and past experiences.
Whether the appointment is executive, and if so, the area of responsibility	No.	No.	No.	No.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director.	Independent Director.	Independent Director.	Non-Executive Director.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Liang Shian On	Dr. Ong Seh Hong	Mr. Tan Kheng Soon	Ms. Tan Yuni
Professional qualifications	– Member of Singapore Chartered Accountants (ISCA) – Member of Malaysia Institute of Accountants (MIA) of Malaysia – Company auditor approved by the Accounting and Corporate Regulatory Authority of Singapore (ACRA) – Company auditor approved by Malaysia Ministry of Finance in Malaysia – Fellow of the Association of Chartered Certified Accountants (ACCA) – Diploma in Business Administration – Diplomas in Accounting and Cost Accounting	– Bachelor of Medicine & Bachelor of Surgery (MBBS) – Master of Science (Applied Finance)	– Member of the Institute of Engineers – Degree of Bachelor of Engineering – Degree of Master of Science (Building Science)	– Bachelor of Commerce (Accounting & Commercial Law)
Working experience and occupations during the past 10 years	Please refer to the Board of Directors section in the Company's FY2023 Annual Report.	Please refer to the Board of Directors section in the Company's FY2023 Annual Report.	Please refer to the Board of Directors section in the Company's FY2023 Annual Report.	Please refer to the Board of Directors section in the Company's FY2023 Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	Nil.	Dr. Ong holds a direct interest in 25,000 ordinary shares in the Company.	Nil.	Nil.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No.	No.	No.	No.
Conflict of interest (including any competing business)	No.	No.	No.	No.
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes.	Yes.	Yes.	Yes.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Liang Shian On	Dr. Ong Seh Hong	Mr. Tan Kheng Soon	Ms. Tan Yuni
Present Principal Commitments* including directorships *"Principal Commitments" has the same meaning as defined in the Code, and includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations	**Non-Public Listed** – S.O.Liang & Co – Assurance Pac	**Public Listed** – Hock Lian Seng Holdings Ltd **Non–Public Listed** – Alexandra Hospital/ Khoo Teck Puat Hospital – Econ Healthcare (Asia) Limited – SC3H Holding Pte Ltd	**Non-Public Listed** – Ease Engineering Consultancy Pte. Ltd.	**Non-Public Listed** – Hines – Miyako Next II Pte. Ltd. – Sakura Investment Partners Pte. Ltd. – Sakura Investment Partners 1B Pte. Ltd.
Past Principal Commitments for the last 5 years, including directorships	Nil.	**Public Listed** – Zhongmin Baihui Retail Group Ltd – Dyna-Mac Holdings Ltd	Nil.	**Non-Public Listed** – 8M Real Estate – ESR Singapore Pte. Ltd.
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she ceased to be a partner?	No.	No.	No.	No.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Liang Shian On	Dr. Ong Seh Hong	Mr. Tan Kheng Soon	Ms. Tan Yuni
(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/she was a director or an equivalent person or a key executive, at the time when he/she 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/she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No.	No.	No.	No.
(c) Whether there is any unsatisfied judgment against him/her?	No.	No.	No.	No.
(d) Whether he/she 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/she is aware) for such purpose?	No.	No.	No.	No.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Liang Shian On	Dr. Ong Seh Hong	Mr. Tan Kheng Soon	Ms. Tan Yuni
(e) Whether he/she 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/she is aware) for such breach?	No.	No.	No.	No.
(f) Whether at any time during the last 10 years, judgment has been entered against him/her 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/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part?	No.	No.	No.	No.
(g) Whether he/she has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No.	No.	No.	No.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Liang Shian On	Dr. Ong Seh Hong	Mr. Tan Kheng Soon	Ms. Tan Yuni
(h) Whether he/she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No.	No.	No.	No.
(i) Whether he/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?	No.	No.	No.	No.
(j) Whether he/she has ever, to his/her 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	No.	No.	No.	No.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Liang Shian On	Dr. Ong Seh Hong	Mr. Tan Kheng Soon	Ms. Tan Yuni
(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 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/she has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No.	No.	No.	No.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Liang Shian On	Dr. Ong Seh Hong	Mr. Tan Kheng Soon	Ms. Tan Yuni
Disclosure applicable to the appointment of Director only				
Any prior experience as a director of an issuer listed on the Exchange? (Yes/No) 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. This is a re-election of a director.	Not Applicable. This is a re-election of a director.	Not Applicable. This is a re-election of a director.	Not Applicable. This is a re-election of a director.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr. Kee Boo Chye
Chief Executive Officer, Chairman and Executive Director

Mr. Liang Shian On
Lead Independent Director

Dr. Ong Seh Hong
Independent Director

Mr. Tan Kheng Soon
Independent Director

Ms Tan Yuni
Non-Executive Director

AUDIT COMMITTEE
Mr. Liang Shian On
Chairman

Dr. Ong Seh Hong
Member

Mr. Tan Kheng Soon
Member

NOMINATING COMMITTEE
Dr. Ong Seh Hong
Chairman

Mr. Tan Kheng Soon
Member

Ms. Tan Yuni
Member

REMUNERATION COMMITTEE
Mr. Tan Kheng Soon
Chairman

Mr. Liang Shian On
Member

Ms. Tan Yuni
Member

COMPANY SECRETARY
Mr. Chia Foon Yeow
(Advocate and Solicitor of the Supreme Court of Singapore)

REGISTERED OFFICE
11 Collyer Quay
#06-01
The Arcade
Singapore 049317

COMPANY REGISTRATION NUMBER
202133454W

STOCK CODE
SGX: SGR

INVESTOR RELATIONS
GEM COMM

SHARE REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07
Keppel Bay Tower
Singapore 098632

CATALIST SPONSOR
Evolve Capital Advisory Private Limited
138 Robinson Road
#13-02
Oxley Tower
Singapore 068906

INDEPENDENT AUDITORS
Deloitte & Touche LLP
6 Shenton Way
#33-00
OUE Downtown
Singapore 068809

Partner-in-charge:
Ms. Mao Meijiao
(member of the Institute of Singapore Chartered Accountants)
Appointment date: 21 December 2022

SHEFFIELD GREEN LTD.
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