



## A MULTI-SERVICES PROVIDER FOR DIVERSE CUSTOMER NEEDS



### AEDGE GROUP LIMITED

(Company Registration No.: 201933214E)

(Incorporated in the Republic of Singapore on 3 October 2019)

**Placement of 16,000,000 Placement Shares at  
S\$0.20 for each Placement Share,  
payable in full on application**

#### OFFER DOCUMENT DATED 3 DECEMBER 2020

(Registered by the Singapore Exchange Securities Trading Limited (the "SGX-ST") acting as agent on behalf of the Monetary Authority of Singapore (the "Authority") on 3 December 2020)

**This document is important. Before making any investment in the securities being offered, you should consider the information provided in this Offer Document carefully, and consider whether you understand what is described in this Offer Document. You should also consider whether an investment in the securities being offered is suitable for you, taking into account your investment objectives and risk appetite. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser(s). You are responsible for your own investment choices.**

UOB Kay Hian Private Limited (the "Sponsor, Issue Manager and Placement Agent") has made an application to the SGX-ST for permission to deal in, and for the listing and quotation of, all the ordinary shares (the "Shares") in the capital of Aedge Group Limited (the "Company") already issued and the new shares which are the subject of this Placement ("Placement Shares") on Catalist (as defined herein), the new Shares which may be issued upon the exercise of the options to be granted under the Aedge Employee Share Option Scheme (the "Option Shares") and the new Shares which may be issued upon the vesting of share awards granted under the Aedge Performance Share Plan (the "Award Shares"). Acceptance of applications for the Placement Shares will be conditional upon, inter alia, the issue of the Placement Shares and permission being granted by the SGX-ST for the listing and quotation of all our existing issued Shares and the Placement Shares, the Option Shares, and the Award Shares on Catalist. Monies paid in respect of any application accepted will be returned at your own risk (without interest or any share of revenue or other benefit arising herefrom) if the admission and listing do not proceed and you will not have any claims against the Company and the Sponsor, Issue Manager and Placement Agent. The dealing in and quotation of the Shares, the Placement Shares, the Option Shares and the Award Shares will be in Singapore dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

This Placement is made in or accompanied by an offer document that has been registered by the SGX-ST acting as agent on behalf of the Authority. Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor, Issue Manager and Placement Agent confirming that our Company is suitable to be listed on Catalist and complies with the Catalist Rules (as defined herein). Neither the Authority nor the SGX-ST has, in any way, considered the merits of the Shares, the Placement Shares, the Option Shares and the Award Shares. The registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, does not imply that the Securities and Futures Act (Chapter 289) of Singapore or any other legal or regulatory requirements, or requirements under the Catalist Rules, have been complied with.

We have not lodged this Offer Document in any other jurisdiction.

**Investing in our Shares involves risks which are described in the section entitled "Risk Factors" of this Offer Document.**

**After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of our Shares, or allot, issue or sell our Shares, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of our Shares or the allotment, issue or sale of our Shares, on the basis of this Offer Document.**

Sponsor, Issue Manager and Placement Agent

**UOB Kay Hian**

**UOB KAY HIAN PRIVATE LIMITED**  
(Company Registration No.: 197000447W)  
(Incorporated in the Republic of Singapore)

## ABOUT US

Our Group is a Singapore-based multi-services provider. We provide three principal services, namely engineering services, transport services and security and manpower services. Being a multi-services provider allows us to provide a comprehensive range of service offerings to meet the diverse needs of our customers.

## BUSINESS OVERVIEW



### Engineering Services

**We offer a suite of complementary engineering services to the oil & gas, petrochemical, marine and offshore and construction industries, namely:**

- Scaffolding services including supply of scaffold workers, and design and installation of scaffolding systems;
- Insulation and passive fire protection services;
- Design and installation of heating, ventilation and air-conditioning (“HVAC”) and refrigeration systems; and
- Electrical engineering services.



### Transport Services

**We are one of the leading bus transport service providers in Singapore with a fleet of 88\* buses averaging five years in age and comprising 10 to 45 seaters. We offer:**

- Premium bus services between nine residential estates and the Central Business District;
- School bus services including ad-hoc bus services for school excursions and events;
- Private bus charter services which provide fixed routes and schedules customised to our customers' needs; and
- Ad-hoc bus services for various events.



### Security and Manpower Services

**Our Group provides the following security and manpower services:**

- **Security Services:** We have a team of 94\* security officers to provide unarmed guard and patrol services to our customers. We also offer security system integration comprising a wide range of security systems and solutions such as remote video surveillance and communication systems.
- **Cleaning Services:** We provide cleaning solutions and services for residential, commercial and industrial premises and compounds, schools and places of worship.
- **Manpower Services:** We offer workforce solutions for the different manpower needs of our customers. We specialise in sourcing and supplying aerospace technicians to companies engaged in aerospace maintenance, repair and overhaul.

\* As at the Latest Practicable Date of 5 November 2020.



## COMPETITIVE STRENGTHS

### We are a multi-services provider of a diverse range of services

- Ability to identify, capture and develop new business opportunities from an existing customer for our other service offerings
- Ability to offer customers a single point of contact for their various business needs

### We emphasise on providing quality services and solutions

- Implemented and received accreditations for various systems and business processes to ensure compliance with industry and regulatory standards
- **Transport Services:** Young fleet increases our opportunities to secure contracts as customers generally prefer or require newer vehicles
- **Security Services:** Ability to offer both automated and semi-automated solutions, which reduce reliance on security officers without compromising our customers' security needs
- **Engineering Services:** Pioneer in adopting an innovative modular system for our scaffolding services, of which its benefits include less manual handling thus reducing occurrence of accidents as well as labour costs, faster to erect and dismantle, less costly as it requires fewer raw materials to produce, and is lighter and cheaper to transport

### We have developed a diverse customer base

- We have over the years developed a good network of customers comprising government agencies, multi-national companies, government-linked companies and established large corporations
- Ability to retain the business of our existing customers due to the quality of our services and solutions. During the Period Under Review:
  - ▶ 64.0% of our top 50 customers in FY2020 were also our top 50 customers in FY2018 and/or FY2019
  - ▶ The top 50 customers of our Group contributed to 84.1%, 83.4% and 92.5% of our Group's total revenue for FY2018, FY2019 and FY2020, respectively, of which 20.0%, 14.0% and 12.0% had utilised at least two different services from our Group

### We have an experienced and qualified management team

- Our Executive Chairman and CEO, Mr Poh Soon Keng, has more than 20 years of experience leading our business
- Our Group is led by an experienced management team which possesses in-depth knowledge of our Group's multi-services

## PROSPECTS

### Engineering Services

- **Continued growth and investments in Singapore's petrochemical and marine and offshore industries, from which we derive more than 50% of our engineering services revenue**
  - ▶ Global chemical firms such as Neste Corporation<sup>1</sup>, the Linde<sup>2</sup> engineering group and ExxonMobil<sup>3</sup> have all announced expansion plans in Singapore
  - ▶ The Marine and Offshore Engineering Industry Transformation Map aims to increase the value-add of the industry to S\$5.8 billion and create 1,500 more jobs by 2025<sup>4</sup>
- **Healthy demand expected from the construction industry**
  - ▶ Besides public residential redevelopments, public sector construction demand over the medium term will continue to be supported by big infrastructure projects such as the Cross Island Line, and developments at Jurong Lake District<sup>5</sup>

### Transport Services

- **The Singapore Government's initiatives serve to grow the bus transportation industry and present opportunities for our Group**
  - ▶ The Singapore Government would be subsidising close to S\$4 billion over the course of five years to enhance bus services<sup>6</sup> under the Bus Contracting Model ("BCM"), which allows bus operators such as ourselves to bid for the right to operate services
- **Private Bus Support Package**
  - ▶ The Singapore Government has introduced a Private Bus Support Package amounting to an estimated S\$23 million of targeted support for the private bus industry in March 2020, which will help cushion the effects of COVID-19<sup>7</sup>

### Security and Manpower Services

- **Security Services: Infrastructure Protection Act ("IPA") and the Security Industry Transformation Map ("SITM") will increase the demand for security guarding services and security systems integration**

- ▶ Under the IPA, the applicable owners are required to incorporate suitable measures into building design such as the deployment of security technology, security officers, vehicle barriers, and strengthening the building against blast effects<sup>8</sup>
- ▶ The Singapore Government expects to invest about S\$10 million over three years to support the initiatives under the SITM
- **Manpower Services: Singapore's prominent position in the aerospace industry continues to boost demand for manpower in the industry**
  - ▶ Singapore has launched an Air Transport Industry Transformation Map, a national blueprint to upgrade the capabilities of aviation companies, which aims to increase the sector's productivity by 40% and to redesign or create more than 8,000 jobs by 2025<sup>9</sup>

#### Sources:

1. "Neste Singapore Expansion Project" published by Neste
2. 28 Aug 2020, The Straits Times article "Gas giant Linde to quadruple capacity here with \$1.9b expansion"
3. 2 Apr 2019, CNA article "ExxonMobil commits to multi-billion dollar expansion of Singapore manufacturing complex"
4. 22 Feb 2018, CNA article "1,500 jobs to be created by 2025 under blueprint for marine and offshore engineering sector"
5. 14 Jan 2019, BCA's "Singapore's total construction demand remain strong this year"
6. 4 Sep 2017, "Bus Services Continue To Improve Since Transition To BCM" published by LTA
7. 26 Mar 2020, "Multiagency Effort to Support Private Bus Industry Impacted by COVID-19" published by LTA
8. 17 Dec 2018, "Infrastructure Protection Act to Take Effect from 18 Dec 2018" published by MHA
9. "Industry Profile - Industry Overview" on Enterprise Singapore's website



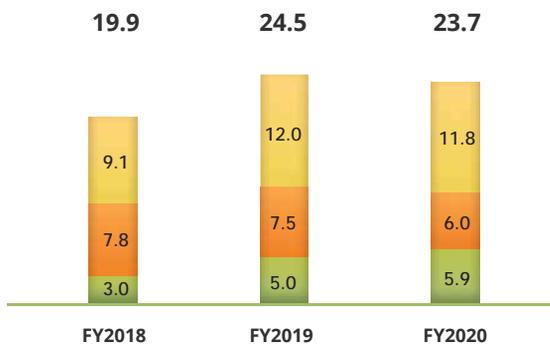
## BUSINESS STRATEGIES & FUTURE PLANS

- Acquire additional scaffolds components and structures to secure more projects in view of the expected increase in activities across the industries we serve
- Upgrade our bus management hardware and software systems to better manage and track demand levels and optimise resources
- Develop and test new security solutions to keep abreast of rapidly changing technologies and to remain competitive
- Hire new staff and upgrade our human resource software to support our expanding operations
- Explore investments, mergers and acquisitions, joint ventures and/or strategic collaborations with parties which can provide synergistic value to our business and be aligned with our long-term interests



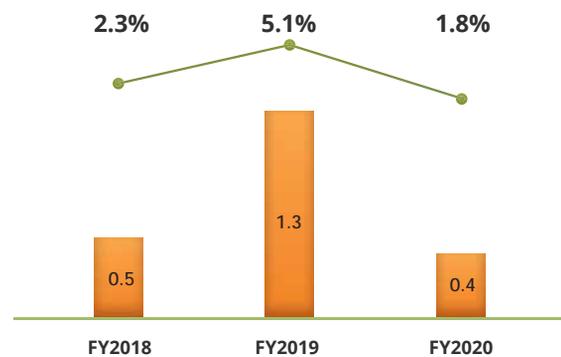
## FINANCIAL HIGHLIGHTS (FYE 30 JUNE)

### Total Revenue (S\$'million)



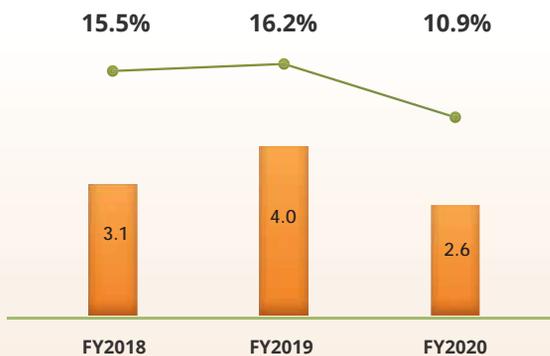
■ Engineering Services ■ Transport Services ■ Security and Manpower Services

### Profit for the Year (S\$'million) / Net Profit Margin (%)



■ Profit for the Year — Net Profit Margin

### Gross Profit (S\$'million) / Gross Profit Margin (%)



■ Gross Profit — Gross Profit Margin

## ORDER BOOK#

Business Segment	S\$'million
Engineering Services	2.78
Transport Services	5.46
Security and Manpower Services	3.47
<b>Total</b>	<b>11.71</b>

# Includes the contract values of completed works which have been recognised as revenue from 1 July 2020 to the Latest Practicable Date.

We do not maintain an order book for the following due to the nature of these services:

- design and installation of scaffolding systems for maintenance work;
- installation of insulation and passive fire protection solutions;
- provision of premium bus services and school bus services; and
- manpower staffing.



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## CORPORATE INFORMATION

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<b>BOARD OF DIRECTORS</b>	:	Mr Poh Soon Keng ( <i>Executive Chairman and CEO</i> ) Mr Foo Der Rong ( <i>Executive Director, Corporate Development</i> ) Mr Hoon Tai Meng ( <i>Lead Independent Director</i> ) Mr Teo Joo Huak ( <i>Independent Director</i> ) Mr Goh Joon Lian ( <i>Independent Director</i> )
<b>COMPANY SECRETARY</b>	:	Ms Pan Mi Keay (ACIS)
<b>REGISTERED OFFICE</b>	:	4009 Ang Mo Kio Avenue 10 #04-33 Techplace 1 Singapore 569738
<b>SHARE REGISTRAR AND SHARE TRANSFER AGENT</b>	:	<b>Tricor Barbinder Share Registration Services</b> (A division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #02-00 Singapore 068898
<b>SPONSOR, ISSUE MANAGER AND PLACEMENT AGENT</b>	:	<b>UOB Kay Hian Private Limited</b> 8 Anthony Road #01-01 Singapore 229957
<b>SOLICITORS TO THE PLACEMENT AND LEGAL ADVISER TO OUR COMPANY AS TO SINGAPORE LAW</b>	:	<b>Bird &amp; Bird ATMD LLP</b> 2 Shenton Way #18-01 SGX Centre 1 Singapore 068804
<b>INDEPENDENT AUDITOR AND INDEPENDENT ACCOUNTANT</b>	:	<b>KPMG LLP</b> 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581 Partner-in-charge: Tan Kar Yee, Linda (Member of the Institute of Singapore Chartered Accountants)
<b>PRINCIPAL BANKER</b>	:	<b>DBS Bank Ltd.</b> 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
<b>RECEIVING BANK</b>	:	<b>DBS Bank Ltd.</b> 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982

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## DEFINITIONS

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In this Offer Document and the accompanying Application Forms, the following definitions apply where the context so admits:

### **Companies within our Group**

<i>“Company”</i>	:	Aedge Group Limited
<i>“Group”</i>	:	Our Company and its subsidiaries pursuant to the Restructuring Exercise
<i>“Group Company”</i>	:	Our Company or any subsidiary
<i>“Aedge Holdings”</i>	:	Aedge Holdings Pte. Ltd.
<i>“Aedge Services”</i>	:	Aedge Services Pte. Ltd. (formerly known as Aedge Manpower Pte. Ltd.)
<i>“Aedge Resources”</i>	:	Aedge Resources Pte. Ltd. (formerly known as Tag Projects Pte. Ltd.)
<i>“Aedge Technologies”</i>	:	Aedge Technologies Pte Ltd (formerly known as Auto-Interactive Pte Ltd)
<i>“SAE Resources”</i>	:	SAE Resources & Technologies Pte. Ltd.

### **Other Corporations and Agencies**

<i>“ACE”</i>	:	Academy of Competency Enhancement Pte. Ltd.
<i>“ACRA”</i>	:	Accounting and Corporate Regulatory Authority of Singapore
<i>“Authority”</i>	:	Monetary Authority of Singapore
<i>“BCA”</i>	:	Building & Construction Authority of Singapore
<i>“CDP” or “Depository”</i>	:	The Central Depository (Pte) Limited
<i>“CPF”</i>	:	The Central Provident Fund
<i>“E Constructor”</i>	:	E Constructor Pte. Ltd.
<i>“EDB”</i>	:	Singapore Economic Development Board
<i>“EQAIMS”</i>	:	EQA IMS Certification Pte Ltd
<i>“IMDA”</i>	:	Infocomm Media Development Authority
<i>“Independent Auditor and Independent Accountant”</i>	:	KPMG LLP
<i>“IRAS”</i>	:	Inland Revenue Authority of Singapore
<i>“ISO”</i>	:	International Organisation for Standardisation
<i>“Kaoson”</i>	:	Kaoson Integrated Engineering Pte. Ltd.
<i>“LTA”</i>	:	Land Transport Authority of Singapore
<i>“MINDEF”</i>	:	Ministry of Defence of Singapore

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## DEFINITIONS

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“MOM”	:	Ministry of Manpower of Singapore
“MTI”	:	Ministry of Trade and Industry Singapore
“NEA”	:	National Environment Agency of Singapore
“NZE”	:	North Zone Engineering (M) Sdn Bhd (formerly known as Aedge Engineering (Malaysia) Sdn Bhd)
“Oiltanking Group”	:	Oiltanking Singapore Limited, Oiltanking Singapore Chemical Storage Pte Ltd, Oiltanking Helios Singapore Pte Ltd and Oiltanking Asia Pacific Pte Ltd
“PLRD”	:	Police Licensing & Regulatory Department of Singapore
“PTCC”	:	PTCC Holdings Pte. Ltd.
“SCCS”	:	Securities Clearing & Computer Services (Pte) Ltd
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar and Share Transfer Agent”	:	Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.)
“Transfingo”	:	Transfingo Pte. Ltd.
“UOBKH”, “Sponsor”, “Issue Manager”, “Placement Agent” or “Sponsor, Issue Manager and Placement Agent”	:	UOB Kay Hian Private Limited
“WSHC”	:	Workplace Safety and Health Council of Singapore

### General

“Aedge ESOS”	:	The employee share option scheme of our Company known as the “Aedge Employee Share Option Scheme”, as described in the section entitled “Aedge ESOS” of this Offer Document
“Aedge PSP”	:	The performance share plan of our Company known as the “Aedge Performance Share Plan”, as described in the section entitled “Aedge PSP” of this Offer Document
“Aerospace Labour Supply Scheme”	:	A scheme administered by the MOM for approved applicants as approved labour suppliers to contract Employment Pass, S Pass and/or Work Permit holders to work in aerospace companies
“Application Forms”	:	The printed application forms to be used for the purpose of the Placement and which form part of this Offer Document
“Application List”	:	The list of applications for subscription of the Placement Shares
“Associate”	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual), means: <ul style="list-style-type: none"><li>(i) his immediate family;</li><li>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or</li></ul>

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## DEFINITIONS

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- (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
  - (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Audit Committee”* : The audit committee of our Company as at the date of this Offer Document, unless otherwise stated
- “Award”* : An award of Shares granted under the Aedge PSP
- “Award Shares”* : The Shares which may be allotted and issued and/or transferred upon the vesting of Awards granted under the Aedge PSP
- “Board” or “Board of Directors”* : The board of directors of our Company as at the date of this Offer Document, unless otherwise stated
- “Catalist”* : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”* : Any or all of the rules in Section B of the Listing Manual: Rules of Catalist, as amended, supplemented or modified from time to time
- “CEO”* : The Chief Executive Officer of our Company as at the date of this Offer Document, unless otherwise stated
- “Companies Act”* : The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
- “Constitution”* : The constitution of our Company, as amended, supplemented or modified from time to time
- “Controlling Shareholder”* : A person who:
- (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or
  - (b) in fact exercises control over a company
- “COVID-19”* : Coronavirus disease 2019
- “Directors”* : The directors of our Company as at the date of this Offer Document, unless otherwise stated
- “Employment Act” or “EA”* : The Employment Act (Chapter 91) of Singapore, as amended, supplemented or modified from time to time
- “EPS”* : Earnings per Share
- “ERP”* : Electronic Road Pricing
- “Executive Directors”* : The executive Directors of our Company as at the date of this Offer Document, unless otherwise stated

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## DEFINITIONS

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<i>“Executive Officers”</i>	:	The executive officers of our Company as at the date of this Offer Document, unless otherwise stated
<i>“FY”</i>	:	Financial year ended or ending 30 June, as the case may be
<i>“GDP”</i>	:	Gross Domestic Product
<i>“GST”</i>	:	Goods and Services Tax
<i>“Independent Directors”</i>	:	The independent Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Jobs Support Scheme”</i>	:	A scheme introduced by the Singapore Government to help enterprises retain their local employees during the period of economic uncertainty caused by the COVID-19 outbreak
<i>“Latest Practicable Date”</i>	:	5 November 2020, being the latest practicable date before the lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority
<i>“Listing”</i>	:	The listing of our Company and the quotation of our Shares on Catalist
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“NAV”</i>	:	Net asset value
<i>“Nominating Committee”</i>	:	The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“NTA”</i>	:	Net tangible assets
<i>“Offer Document”</i>	:	This Offer Document dated 3 December 2020 issued by our Company in respect of the Placement
<i>“Option Shares”</i>	:	The Shares which may be allotted and issued and/or transferred upon the exercise of the Options granted pursuant to the Aedge ESOS
<i>“Options”</i>	:	The options which may be granted pursuant to the Aedge ESOS
<i>“PDPA”</i>	:	The Personal Data Protection Act 2012 (No. 26 of 2012) of Singapore, as amended, supplemented or modified from time to time
<i>“PER”</i>	:	Price earnings ratio
<i>“Period Under Review”</i>	:	The financial period comprising FY2018, FY2019 and FY2020
<i>“Placement”</i>	:	The placement of the Placement Shares by the Placement Agent on behalf of our Company for subscription at the Placement Price, subject to and on the terms and conditions as set out in this Offer Document

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## DEFINITIONS

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<i>“Placement Agreement”</i>	:	The placement agreement dated 3 December 2020 entered into between our Company and UOBKH pursuant to which UOBKH has agreed to subscribe or procure subscriptions for the Placement Shares, details as described in the sections entitled “Plan of Distribution” and “General and Statutory Information – Sponsorship, Management and Placement Arrangements” of this Offer Document
<i>“Placement Price”</i>	:	S\$0.20 for each Placement Share
<i>“Placement Shares”</i>	:	The 16,000,000 Shares which are the subject of the Placement
<i>“Remuneration Committee”</i>	:	The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Restructuring Exercise”</i>	:	The corporate restructuring exercise undertaken in connection with the Placement, as described in the section entitled “Restructuring Exercise” of this Offer Document
<i>“Securities Account”</i>	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
<i>“Service Agreements”</i>	:	The service agreements entered into between our Company, with each of (a) our Executive Chairman and CEO, Mr Poh Soon Keng; (b) our Executive Director (Corporate Development), Mr Foo Der Rong; and (c) our Chief Operating Officer (Engineering), Mr Ng Choon Beng, as set out in the section entitled “Corporate Governance – Service Agreements” of this Offer Document
<i>“SFA”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time
<i>“SFR”</i>	:	The Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018 of Singapore, as amended, supplemented or modified from time to time
<i>“SFRS(I)”</i>	:	Singapore Financial Reporting Standards (International)
<i>“SGXNET”</i>	:	Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
<i>“Shares”</i>	:	Ordinary shares in the capital of our Company
<i>“Shareholders”</i>	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
<i>“SPI”</i>	:	Security Productivity Initiative, as described in the section entitled “Prospects, Trends, Business Strategies and Future Plans – Prospects” of this Offer Document
<i>“Sponsorship and Management Agreement”</i>	:	The sponsorship and management agreement dated 3 December 2020 entered into between our Company and UOBKH pursuant to which UOBKH has agreed to sponsor and manage the Listing, details as described in the section entitled “General and Statutory Information – Sponsorship, Management and Placement Arrangements” of this Offer Document

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## DEFINITIONS

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“Substantial Shareholder”	:	A person who has an interest in the Shares, the total votes attached to which is not less than 5.0% of the total votes attached to all the voting shares of our Company
“Sub-Division”	:	The sub-division of one (1) Share in the issued share capital of our Company into 9,000 Shares
“Take-over Code”	:	The Singapore Take-over Code on Take-overs and Mergers, as amended, supplemented or modified from time to time
“WSH Act”	:	Workplace Safety and Health Act (Chapter 354A) of Singapore, as amended, supplemented or modified from time to time
“WSQ”	:	Workforce Skills Qualifications

### Currencies, Units and Others

“S\$” and “cents”	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
“sq ft”	:	Square feet
“%” or “per cent.”	:	Per centum or percentage

The expressions “Interested Person”, “Interested Person Transaction”, and “subsidiary” shall have the meaning ascribed to them respectively in the SFR, the Catalist Rules and/or the Companies Act, as the case may be.

The expressions “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Offer Document and/or the Application Forms to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or any statutory modification thereof and used in this Offer Document and/or the Application Forms shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA or any statutory modification thereof, as the case may be.

Any reference in this Offer Document and/or the Application Forms to Shares being allotted to an applicant includes an allotment to CDP for the account of that applicant.

Any reference to a time or date in this Offer Document and/or the Application Forms shall be a reference to Singapore time, unless otherwise stated.

Any reference in this Offer Document to “we”, “our”, “us”, or other grammatical variations thereof refer to our Company, our Group or any member of our Group, as the context requires.

Any discrepancies in the tables included herein between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

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## GLOSSARY OF TECHNICAL TERMS

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To facilitate a better understanding of the business of our Group, the following glossary provides a description of some of the technical terms and abbreviations used in this Offer Document. The meanings assigned to the terms and abbreviations should not be treated as definitive, and may not correspond to standard industry meanings or usage of these terms.

<i>“audio/video intercoms”</i>	:	A wired or wireless communication system for use within a building or small collection of buildings that allows the operators to communicate via audio and/or video feeds independent of a public telephone network
<i>“burnisher”</i>	:	An equipment or machine that burnishes floors to produce a high state of gloss and enables the operator to cover a larger floor area in a limited amount of time
<i>“CCTV”</i>	:	Closed circuit television
<i>“Central Business District”</i>	:	The commercial and business centre of Singapore, located between the Singapore River, Marina Bay and Chinatown
<i>“cleaning specialists”</i>	:	Personnel trained to conduct and carry out industrial and commercial cleaning services
<i>“grating”</i>	:	Any regularly spaced collection of essentially identical structure of crossed wood or metal strips
<i>“FPSO”</i>	:	A floating production, storage and offloading vessel used for the production, processing and storage of oil
<i>“FSO”</i>	:	A floating production and offloading vessel used for the production and processing of oil
<i>“HVAC”</i>	:	Heating, ventilation and air-conditioning
<i>“MRT”</i>	:	Mass Rapid Transit, a rapid transit system forming the major component of the railway system in Singapore
<i>“platform”</i>	:	A raised horizontal flat surface
<i>“public bus services”</i>	:	Bus transport services offered to the public which are operated by transport operators and their service routes are planned by the LTA
<i>“real time”</i>	:	Actual time during which a process or event occurs without any transmission delays
<i>“remote location”</i>	:	A location away from the primary location where an event is taking place
<i>“residential estate”</i>	:	Estates designated primarily as residential zones in Singapore
<i>“scaffold” or “scaffolding”</i>	:	A temporary structure used to support workers and materials to aid in the construction, maintenance and repair of buildings, bridges and all other man-made structures

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## GLOSSARY OF TECHNICAL TERMS

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- “scrubber” and/or “sweeper”* : An equipment or machine that is used for cleaning floors by primarily employing a scrubbing and sweeping motion, respectively, and enables the operator to cover a larger floor area in a limited amount of time
- “security officer”* : An individual who (i) carries out patrolling or guarding of another person’s property by physical means; (ii) keeps the property under surveillance; (iii) screens individuals seeking to enter the property; and/or (iv) regulates traffic
- “terminus”* : The end of a transport route, or a station at such a point

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us, our Directors, Executive Officers, employees or other parties acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “expects”, “believes”, “plans”, “intends”, “predicts”, “estimates”, “anticipates”, “may”, “will”, “would” and “could” or similar expressions. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including without limitation, statements as to:

- (a) our revenue and profitability;
- (b) our expected growth;
- (c) expected industry trends and development;
- (d) anticipated expansion plans; and
- (e) other matters discussed in this Offer Document regarding matters that are not historical facts,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:

- (a) changes in political, social and economic conditions and the regulatory environment in Singapore and the countries in which we conduct business;
- (b) changes in currency exchange or interest rates;
- (c) inability to realise our anticipated growth strategies and expected internal growth;
- (d) changes in the availability and prices of raw materials we need to operate our business;
- (e) changes in customer preferences;
- (f) changes in competitive conditions and our ability to compete under such conditions;
- (g) changes in our future capital needs and the availability of financing and capital to fund such needs;
- (h) any other matters not yet known to us;
- (i) other factors beyond our control; and
- (j) the factors described in the section entitled “Risk Factors” of this Offer Document.

Some of these factors are discussed in greater detail in this Offer Document, in particular, but not limited to, the discussions under the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “Prospects, Trends, Business Strategies and Future Plans” of this Offer Document. All forward-looking statements made by or attributable to us, our Directors, Executive Officers, employees or other persons acting on our behalf contained in this Offer Document are expressly qualified in their entirety by such factors. These forward-looking statements are applicable only as at the date of this Offer Document.

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from those expected, expressed or implied by the forward-looking statements in this Offer Document, we advise you not to place undue reliance on these statements. None of us, the Sponsor, Issue Manager and Placement Agent, our advisers or any other person represents or warrants that our actual future results, performance or achievements will be as discussed in those statements.

The section entitled “Prospects, Trends, Business Strategies and Future Plans” of this Offer Document as well as other parts of this Offer Document may (to the extent applicable) contain data, information, financial analysis, forecast, figures and statements (including marketing and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as publicly available information and industry publications) which are forward-looking and based on certain assumptions and projections. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. Neither we, the Sponsor, Issue Manager and Placement Agent, nor person(s) acting on our behalf have conducted an independent review or verified the accuracy or veracity of such data, information, financial analysis, forecast, figures and statements, assumptions and projections (the “**Experts’ Data**”). No representation is made by us, the Sponsor, Issue Manager and Placement Agent or any person(s) acting on our behalf in respect of any of the Experts’ Data and neither we, the Sponsor, Issue Manager and Placement Agent nor any person(s) acting on our behalf take any responsibility for any of the Experts’ Data.

Our actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We, the Sponsor, Issue Manager and Placement Agent and our advisers, disclaim any responsibility to update any of these forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in future.

We are, however, subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after the Offer Document is registered by the SGX-ST, acting as agent on behalf of the Authority, but before the close of the Placement, our Company becomes aware of:

- (a) a false or misleading statement or matter in this Offer Document;
- (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA; or
- (c) a new circumstance that has arisen since the Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority, and would have been required by Section 243 of the SFA to be included in this Offer Document if it had arisen before this Offer Document was lodged,

and that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority. Please refer to the section entitled “Details of the Placement” of this Offer Document for further details.

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## SELLING RESTRICTIONS

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### SINGAPORE

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations, or of the legal or regulatory requirements, of any jurisdiction, except for the filing and/or lodgement of this Offer Document in Singapore in order to permit a public offering of the Placement Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the Placement Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by us and the Sponsor, Issue Manager and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to our Company and the Sponsor, Issue Manager and Placement Agent.

Persons to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

By accepting this Offer Document, you agree to be bound by the foregoing limitations. No part of this Offer Document may be (i) copied, photocopied or duplicated in any form by any means; and/or (ii) distributed or passed on, directly or indirectly, to any other person, in whole or in part, for any purpose.

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## DETAILS OF THE PLACEMENT

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### LISTING ON CATALIST

The Sponsor, Issue Manager and Placement Agent has made an application to the SGX-ST for permission to deal in, and for the listing and quotation of, all our Shares that are already issued and the Placement Shares, the Option Shares and the Award Shares on Catalist. Acceptance of applications will be conditional upon, *inter alia*, permission being granted by the SGX-ST to deal in, and for the listing and quotation of, all of our Shares that are already issued and the Placement Shares, the Option Shares and the Award Shares. Monies paid in respect of any application accepted will be returned to you, subject to applicable laws, without interest or any share of revenue or other benefit arising therefrom and at your own risk, if the said permission is not granted or for any other reason and you will not have any claim whatsoever against us, the Sponsor, Issue Manager and Placement Agent or our advisers or agents.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional advisers.

A copy of this Offer Document has been lodged with and registered by the SGX-ST, acting as agent on behalf of the Authority. The registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, does not imply that the SFA, or any other legal or regulatory requirements, or requirements under the Catalist Rules, has been complied with. We have not lodged or registered this Offer Document in any other jurisdiction.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor, Issue Manager and Placement Agent confirming that our Company is suitable to be listed and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has in any way considered the merits of our existing issued Shares, the Placement Shares, the Option Shares and the Award Shares.

After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of our Shares, or allot, issue or sell any of our Shares, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any of our Shares or the allotment, issue or sale of any of our Shares, on the basis of this Offer Document.

Admission to the Catalist is not to be taken as an indication of the merits of the Placement, our Company, our subsidiaries, our existing issued Shares, the Placement Shares, the Option Shares or the Award Shares.

Pursuant to the notification under Section 309B of the SFA, the Shares are classified as “prescribed capital markets products” as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore.

We are subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after the registration of this Offer Document but before the close of the Placement, we become aware of:

- (a) a false or misleading statement in this Offer Document;
- (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA; or
- (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority, and which would have been required by Section 243 of the SFA to be included in this Offer Document, if it had arisen before this Offer Document was lodged,

and that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority.

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## DETAILS OF THE PLACEMENT

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In the event that a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Placement shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

Where, prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the Placement Shares, and:

- (a) where the Placement Shares have not been issued to the applicants, we shall either:
  - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
  - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or
  - (iii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled; and we shall, within seven (7) days from the date of lodgement of the supplementary or replacement offer document, pay to the applicants all monies paid by them on account of their applications for the Placement Shares, without interest or any share of revenue or other benefits arising therefrom and at their own risk; or
  
- (b) where the Placement Shares have been issued to the applicants but trading has not commenced, we shall either:
  - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to our Company the Placement Shares which they do not wish to retain title in; and take all reasonable steps to make available, within a reasonable period, the supplementary or replacement offer document, as the case may be, to the applicants who have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document, as the case may be;
  - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to our Company the Placement Shares which they do not wish to retain title in; or
  - (iii) treat the issue of the Placement Shares as void, in which case the issue shall be deemed void; and we shall within seven (7) days from the date of lodgement of the supplementary or replacement offer document, pay the applicants all monies paid by them for the Placement Shares, without interest or any share of revenue or other benefits arising therefrom and at their own risk.

An applicant who wishes to exercise his option under paragraph (a)(i) or (ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify our Company of this, whereupon we shall, within seven (7) days from the receipt of such notification, pay to the applicant all monies paid by him on account of his application for the Placement Shares, without interest or any share of revenue or other benefits arising therefrom and at their own risk, and he shall not have any claims against us, the Sponsor, Issue Manager and Placement Agent.

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## DETAILS OF THE PLACEMENT

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An applicant who wishes to exercise his option under paragraph (b)(i) or (ii) to return the Placement Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify our Company of this and return all documents, if any, purporting to be evidence of title to those Placement Shares, to our Company, whereupon we shall within seven (7) days from the receipt of such notification and documents, if any, pay to the applicant all monies paid by him for those Placement Shares, without interest or any share of revenue or other benefits arising therefrom and at their own risk, and he shall not have any claims against us, the Sponsor, Issue Manager and Placement Agent and the issue of those Placement Shares shall be deemed to be void.

Pursuant to Section 242 of the SFA, the Authority may, in certain circumstances, issue a stop order (the “**Stop Order**”) to our Company, directing that no Shares or no further Shares to which this Offer Document relates, be allotted or issued or sold. Such circumstances will include a situation where this Offer Document:

- (a) contains any statement or matter which, in the Authority’s opinion, is false or misleading;
- (b) omits any information that should have been included in it under the SFA;
- (c) does not, in the Authority’s opinion, comply with the requirements of the SFA; or
- (d) where the Authority is of the opinion that it is in the public interest to issue a Stop Order.

In the event that the Authority issues a Stop Order and applications to subscribe for the Placement Shares have been made prior to the Stop Order, then:

- (a) where the Placement Shares have not been issued to the applicants, the applications for the Placement Shares shall be deemed to have been withdrawn and cancelled and we shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the Placement Shares; or
- (b) where the Placement Shares have been issued to the applicants, the issue of the Placement Shares shall be deemed to be void and we shall:
  - (i) if documents purposing to evidence title to the Placement Shares have been issued to you, within seven (7) days from the date of the Stop Order, inform you to return such documents to us within 14 days from that date; and within seven (7) days from the date of the receipt of those documents or the date of the Stop Order, whichever is later, pay you all monies paid by you for the Placement Shares; or
  - (ii) if no such documents have been issued to you, within seven (7) days from the date of the Stop Order, pay to you all monies paid by you for the Placement Shares.

Where monies are to be returned in respect of any application for the Placement Shares, they shall be returned to the applicants at their own risk, without interest or any share of revenue or benefit arising therefrom, and the applicants shall not have any claim against us or the Sponsor, Issue Manager and Placement Agent.

This Offer Document has been read and approved by our Directors, and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitute full and true disclosure of all material facts about the Placement, our Group, our subsidiaries and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

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## DETAILS OF THE PLACEMENT

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None of us, the Sponsor, Issue Manager and Placement Agent or any other parties involved in the Placement is making any representation to any person regarding the legality of an investment in our Shares by such person under any investment laws or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own legal, financial, tax or other professional adviser regarding an investment in our Shares.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Placement and, if given or made, such information or representation must not be relied upon as having been authorised by us or the Sponsor, Issue Manager and Placement Agent. Neither the delivery of this Offer Document, the Application Forms, any document relating to the Placement, nor the Placement, shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change or development reasonably likely to create any change in our affairs, conditions or prospects, or Shares, or in any statement of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we may make an announcement of the same to the SGX-ST and the public, and if required, we may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority, and will comply with the requirements of the SFA and/or any other requirements of the SGX-ST. All applicants should take note of any such announcement and/or supplementary or replacement offer document and, upon the release of such announcement and/or supplementary or replacement offer document, shall be deemed to have notice of such changes.

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies. The Placement Shares are offered for subscription solely on the basis of the information contained and representations made in this Offer Document.

This Offer Document has been prepared solely for the purpose of the Placement and may not be relied upon by any persons other than the applicants in connection with their application for the Placement Shares or for any other purpose.

**This Offer Document does not constitute an offer, solicitation or invitation of the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or unauthorised nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such offer, solicitation or invitation.**

Copies of this Offer Document and the Application Forms may be obtained on request, subject to availability, during office hours from:

**UOB Kay Hian Private Limited**  
8 Anthony Road  
#01-01  
Singapore 229957

An electronic copy of this Offer Document is also available on the SGX-ST's website at <http://www.sgx.com>.

**The Application List will open immediately upon the registration of this Offer Document by the SGX-ST, acting as agent of the Authority, and will remain open until 12.00 noon on 10 December 2020 or for such further period or periods as our Directors may, in consultation with the Sponsor, Issue Manager and Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws. In the event a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of such supplementary or replacement offer document.**

**Please refer to Terms, Conditions and Procedures for Application and Acceptance as set out in Appendix H of this Offer Document for details of the procedures for applications to subscribe for the Placement Shares.**

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## INDICATIVE TIMETABLE FOR LISTING

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An indicative timetable for the Placement and trading in our Shares is set out below:

Indicative date / time	Event
3 December 2020 (immediately upon registration of this Offer Document)	Commencement of the Placement
10 December 2020 at 12.00 noon	Close of Application List
14 December 2020 at 9.00 a.m.	Commence trading on a “ready” basis
17 December 2020	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative as it assumes that the date of closing of the Application List will be on 10 December 2020, the date of admission of our Company to Catalist is on 14 December 2020, the SGX-ST’s shareholding spread requirement will be complied with and the Placement Shares will be issued and fully paid-up prior to 14 December 2020. The actual date on which our Shares will commence trading on a “ready” basis will be announced when it is confirmed by the SGX-ST.

The Placement will be open from 3 December 2020 until 12.00 noon on 10 December 2020.

The above timetable and procedures may be subject to such modification as the SGX-ST may, in its absolute discretion, decide, including the decision to permit commencement of trading on a “ready” basis and the commencement date of such trading.

In the event of any changes in the close of the Application List or the time period during which the Placement is open, we will publicly announce the same:

- (a) through an SGXNET announcement to be posted on the internet at the SGX-ST’s website at <http://www.sgx.com>; and
- (b) in local English newspaper(s).

We will publicly announce details of the results of the Placement (including the level of subscription for the Placement Shares and the basis of allocation of the Placement Shares pursuant to the Placement) as soon as practicable after the close of the Application List through the channels described in (a) and (b) above.

We reserve the right to reject or accept, in whole or part, or to scale down or ballot any application for the Placement Shares, without assigning any reason therefor, and no enquiry and/or correspondence on our decision will be entertained. In deciding the basis of allotment, due consideration will be given to the desirability of allotting the Placement Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares. The manner and method of applications and acceptances under the Placement will be determined by our Company and the Sponsor, Issue Manager and Placement Agent. All persons trading in our Shares before their Securities Accounts with CDP are credited with the relevant number of such Shares do so at the risk of selling Shares which neither they, nor their nominees, as the case may be, have been allotted or are otherwise beneficially entitled to.

**Investors should consult the SGX-ST’s announcement of the “ready” trading date on the internet (at the SGX-ST’s website <http://www.sgx.com>), or the local English newspaper(s) or check with their brokers on the date on which trading on a “ready” basis will commence.**

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## PLAN OF DISTRIBUTION

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### **The Placement**

The Placement is for 16,000,000 Placement Shares offered in Singapore and the Listing is managed and sponsored by UOBKH.

Prior to the Placement, there has been no public market for our Shares. The Placement Price is determined by our Company in consultation with the Sponsor, Issue Manager and Placement Agent, taking into consideration, *inter alia*, prevailing market conditions and estimated market demand for the Placement Shares, determined through a book-building process. The Placement Price is the same for all Placement Shares and is payable in full on application.

Pursuant to the Sponsorship and Management Agreement entered into between our Company and UOBKH as set out in the section entitled “General and Statutory Information – Sponsorship, Management and Placement Arrangements” of this Offer Document, we have appointed UOBKH, and UOBKH has agreed to manage and to be the sponsor of the Placement. UOBKH will receive a management fee for its services rendered in connection with the Placement.

### **Placement Shares**

The Placement Shares are made available to retail and institutional investors in Singapore who may apply through their brokers or financial institutions by way of the Application Forms. An application for the Placement Shares may only be made by way of the Application Forms. Please refer to the “Terms, Conditions and Procedures for Application and Acceptance” as set out in Appendix H of this Offer Document for more information.

Pursuant to the Placement Agreement entered into between our Company and UOBKH as set out in the section entitled “General and Statutory Information – Sponsorship, Management and Placement Arrangements” of this Offer Document, we have appointed UOBKH, and UOBKH has agreed to subscribe for and/or procure the subscriptions for the Placement Shares at the Placement Price, subject to the terms and conditions of the Placement Agreement, for a placement commission of 3.50% of the aggregate Placement Price (and the prevailing GST thereon, if applicable) for the total number of Placement Shares successfully subscribed, payable by our Company. UOBKH shall be at liberty at its own expense to make sub-placement arrangements in respect of its placement obligations under the Placement Agreement and/or to appoint such sub-placement agents upon such terms and conditions as UOBKH may deem fit.

The Placement Agreement is conditional upon, among others, the Sponsorship and Management Agreement not being terminated or rescinded pursuant to the provisions of the Sponsorship and Management Agreement.

Subscribers of the Placement Shares will be required to pay brokerage of up to 1.00% of the Placement Price (and the prevailing GST thereon, if applicable) to the Placement Agent or any sub-placement agent as may be appointed by the Placement Agent.

### **Subscription for Placement Shares**

To the best of our knowledge and belief, none of our Directors or Substantial Shareholders intends to subscribe for the Placement Shares.

To the best of our knowledge and belief, as of the date of this Offer Document, we are not aware of any of our Executive Officers or employees who intend to subscribe for more than 5.0% of the Placement Shares.

To the best of our knowledge and belief, as at the date of this Offer Document, we are not aware of any person who intends to subscribe for more than 5.0% of the Placement Shares.

However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate an interest to subscribe for more than 5.0% of the Placement Shares. If such person(s) were to make an application for more than 5.0% of the Placement Shares and are subsequently allotted such number of Shares, we will make the necessary announcements at an appropriate time. The final allotment of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406 of the Catalist Rules.

No Shares shall be allotted and issued on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

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## OFFER DOCUMENT SUMMARY

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*The information contained in this summary is derived from, and should be read in conjunction with the full text of this Offer Document. As it is a summary, it does not contain all of the information that prospective investors should consider before investing in our Shares. Prospective investors should read the entire Offer Document carefully, in particular, the matters set out in the section entitled “Risk Factors” of this Offer Document and our financial statements and related notes in this Offer Document, before deciding whether to invest in our Shares.*

### OVERVIEW OF OUR GROUP

#### Our Company

Our Company was incorporated in Singapore on 3 October 2019 under the Companies Act as a private company limited by shares under the name of “Aedge Group Pte. Ltd.”. We subsequently changed our name to “Aedge Group Limited” on 24 March 2020 in connection with our conversion to a public company limited by shares.

Pursuant to the Restructuring Exercise as described in the section entitled “Restructuring Exercise” of this Offer Document, our Company became the holding company of our Group.

#### Our Business

Our Group is a Singapore-based multi-services provider. We provide three (3) principal services, namely engineering services, transport services and security and manpower services. Being a multi-services provider allows us to provide a comprehensive range of services offerings to meet the diverse needs of our customers.

##### Engineering services

Our Group provides the following engineering services:

- (a) Scaffolding services, including supply of scaffold workers, and design and installation of scaffolding systems;
- (b) Insulation and passive fire protection services;
- (c) Design and installation of HVAC and refrigeration systems; and
- (d) Electrical engineering services.

##### Transport services

Our Group is one of the leading bus transport service providers in Singapore. Our transport services comprise the following:

- (a) Premium bus services;
- (b) School bus services;
- (c) Private bus charter services; and
- (d) Ad-hoc bus services.

##### Security and manpower services

Our Group provides the following security and manpower services:

- (a) Security services, including security guarding services and security systems integration;
- (b) Cleaning services; and
- (c) Manpower services, including manpower staffing, recruitment and placement services.

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## OFFER DOCUMENT SUMMARY

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Please refer to the section entitled “General Information on Our Group – Business Overview” of this Offer Document for further details.

### **Our Competitive Strengths**

We believe our key competitive strengths are as follows:

- (a) We are a multi-services provider of a diverse range of services;
- (b) We emphasise on providing quality services and solutions;
- (c) We have developed a diverse customer base;
- (d) We have an experienced and qualified management team;
- (e) We are an established transport service provider;
- (f) We offer a comprehensive range of security solutions and services; and
- (g) We are a pioneer in adopting innovative modular system for our scaffolding services.

Please refer to the section entitled “General Information on Our Group – Competitive Strengths” of this Offer Document for further details.

### **Our Business Strategies and Future Plans**

Our business strategies and future plans are as follows:

- (a) Acquiring additional scaffolds components and structures;
- (b) Upgrading our bus management hardware and software systems;
- (c) Developing and testing new security solutions;
- (d) Hiring of new staff and upgrading of our human resource software; and
- (e) Exploring investments, mergers and acquisitions, joint ventures and/or strategic collaborations.

Please refer to the section entitled “Prospects, Trends, Business Strategies and Future Plans – Business Strategies and Future Plans” of this Offer Document for further details.

### **Our Contact Details**

Our registered office and principal place of business is at 4009 Ang Mo Kio Avenue 10 #04-33 Techplace 1 Singapore 569738. Our telephone and facsimile numbers for our registered office are (65) 6458 7645 and (65) 6458 7262 respectively. Our Company’s registration number is 201933214E. Our email address is [info@aedge.com.sg](mailto:info@aedge.com.sg). Our Company’s website address is [www.aedge.com.sg](http://www.aedge.com.sg). **Information contained in our website does not constitute part of this Offer Document.**

### **FINANCIAL HIGHLIGHTS**

The following summary financial information should be read in conjunction with the full text of this Offer Document, including the “Independent Accountants’ Report and the Audited Combined Financial Statements for the Years Ended 30 June 2018, 2019 and 2020” as set out in Appendix A of this Offer Document, and the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document.

## OFFER DOCUMENT SUMMARY

### Selected items from the combined statements of comprehensive income of our Group

(\$'000)	FY2018	FY2019	FY2020
Revenue	19,907	24,540	23,685
Gross profit	3,084	3,973	2,584
Profit before tax	565	1,603	546
Profit for the year and total comprehensive income for the year	466	1,251	422
EPS (based on pre-Placement share capital)(cents) <sup>(1)</sup>	0.52	1.39	0.47
EPS (based on post-Placement share capital)(cents) <sup>(2)</sup>	0.44	1.18	0.40

**Notes:**

- (1) For illustrative purposes, EPS (based on the pre-Placement share capital) for the Period Under Review is computed based on the profit for the year and total comprehensive income for the year and the pre-Placement share capital of 90,000,000 Shares.
- (2) For illustrative purposes, EPS (based on the post-Placement share capital) for the Period Under Review is computed based on the profit for the year and total comprehensive income for the year and the post-Placement share capital of 106,000,000 Shares.

### Selected items from the combined statements of financial position of our Group

(\$'000)	As at 30 June 2020
Non-current assets	11,817
Current assets	14,527
<b>Total assets</b>	<b>26,344</b>
Non-current liabilities	1,946
Current liabilities	9,652
<b>Total liabilities</b>	<b>11,598</b>
<b>Total equity</b>	<b>14,746</b>
NAV per Share (cents) <sup>(1)</sup>	16.38
Adjusted NAV per Share (cents) <sup>(2)</sup>	15.49

**Notes:**

- (1) For illustrative purposes, the NAV per Share has been computed based on the total equity of our Company and the pre-Placement share capital of 90,000,000 Shares.
- (2) For illustrative purposes, the adjusted NAV per Share has been computed based on the total equity of our Company and the post-Placement share capital of 106,000,000 Shares, after adjusting for the estimated net proceeds from the issue of the Placement Shares.

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## THE PLACEMENT

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- Placement Size : 16,000,000 Placement Shares
- The Placement Shares, upon allotment and issuance, will rank *pari passu* in all respects with the existing issued Shares.
- Placement Price : S\$0.20 for each Placement Share, payable in full on application.
- The Placement : The Placement comprises a placement of 16,000,000 Placement Shares at the Placement Price, subject to and on the terms and conditions of this Offer Document.
- Purpose of the Placement : Our Directors believe that the listing of our Company and the listing and quotation of our Shares on Catalist will enhance our public image locally and overseas and enable our Company to raise funds from the capital markets to fund the expansion of our business.
- The Placement will also provide members of the public, our employees, our business associates and others who have contributed to the success of our Group with an opportunity to participate in the equity of our Company. In addition, the proceeds from the Placement Shares will provide us with additional capital to fund our acquisition of property, plant and equipment, and to be used for general working capital purposes.
- Listing Status : Prior to the Placement, there has been no public market for our Shares. Our Shares will be quoted on Catalist in Singapore dollars, subject to the admission of our Company to Catalist and permission for dealing in, and for the listing and quotation of, our existing issued Shares, the Placement Shares, the Option Shares and the Award Shares on Catalist being granted by the SGX-ST, and the Authority not issuing a Stop Order.
- Risk Factors : Investing in our Shares involves risks which are described in the section entitled "Risk Factors" of this Offer Document.
- Use of Proceeds : Please refer to the section entitled "Use of Proceeds from the Placement and Expenses Incurred" of this Offer Document for more details.

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## RISK FACTORS

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*Prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Document before deciding to invest in our Shares. The following section describes some of the significant risks known to us now that could directly or indirectly affect us and the value or trading price of our Shares. The following section does not state risks unknown to us now but which could occur in future and risks which we currently believe to be immaterial, which could turn out to be material. Should these risks occur and/or turn out to be material, they could materially and adversely affect our business, financial condition, results of operations and prospects. To the best of our Directors' knowledge and belief, the risk factors that are material to investors in making an informed judgment have been set out below. If any of the following considerations and uncertainties develops into actual events, our business, financial condition, results of operations and prospects could be materially and adversely affected. In such cases, the trading price of our Shares could decline and investors may lose all or part of their investment in our Shares.*

*This Offer Document also contains forward-looking statements having direct and/or indirect implications on our future performance. Our actual results may differ materially from those anticipated by these forward-looking statements due to certain factors, including the risks and uncertainties faced by our Group, as described below and elsewhere in this Offer Document.*

### **RISKS RELATING TO OUR INDUSTRY AND BUSINESS**

#### **We deal primarily with Transfingo, our major customer, for our manpower services**

Our Group collaborates with Transfingo to supply aerospace technicians to companies engaged in aerospace maintenance, repair and overhaul. Please refer to the section entitled "General Information on Our Group – Business Overview" of this Offer Document for further details. To the best of our Directors' knowledge, Transfingo is also an approved supplier under the Aerospace Labour Supply Scheme. However, we do not consider Transfingo to be our competitor as we collaborate with Transfingo to provide our manpower services.

Our Group's sales in collaboration with Transfingo accounted for 21.5%, 25.4% and 9.3% of our total revenue in FY2018, FY2019 and FY2020 respectively, and accounted for 47.0%, 51.8% and 18.6% of our total revenue for our security and manpower services segment in FY2018, FY2019 and FY2020 respectively.

Should our collaboration with Transfingo cease for any reason, Transfingo will become our competitor. In addition, in the event that we are unable to find an alternative party to collaborate in replacement of Transfingo, the business, financial condition and results of operation of our Group may be materially and adversely affected.

During the Period Under Review, we have maintained a good and collaborative relationship with Transfingo and there were no incidents which had a material adverse impact on the business, financial condition and results of operation of our Group.

#### **We are dependent on the performance of the various industries in which our end customers operate including the construction, aviation, petrochemical and marine and offshore industries, which may be cyclical in nature**

Several of our customers and/or end customers are engaged in aerospace maintenance, repair and overhaul or are engaged in providing engineering services to the petrochemical and marine and offshore industries. As such we are susceptible to cyclical fluctuations of the relevant industries, economy in Singapore as well as globally, and are dependent on the performance of the construction, aviation, petrochemical, marine and offshore industries in Singapore as well as the level of activities in the construction and aviation industries and the availability of major projects in the petrochemical and marine and offshore industries. A downturn in the construction, aviation, petrochemical and marine and offshore industries will dampen general sentiments and reduce demand. Such downturn would also erode profit margins due to keen competition. On 11 March 2020, the World Health Organization declared the contagious disease, COVID-19, a pandemic. Globally, the governments of multiple countries have undertaken drastic action to limit the spread of COVID-19 including, safe distancing measures, lock-downs, travel restrictions and various travel advisories. This has led to a global collapse in the demand

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## RISK FACTORS

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for air travel. It has also led to a suspension of many construction projects in Singapore. Please refer to the risk factor entitled “We are exposed to risks in respect of outbreaks of communicable diseases” for more details on the impact of COVID-19 on our operations. Should the COVID-19 pandemic continue and the construction and aviation industries not improve, or should there be any sustained downturn in the petrochemical and marine and offshore industries, the business, financial condition and results of operation of our Group may be materially and adversely affected.

### **Our financial performance is dependent on our ability to continually secure new projects and contracts and renew our existing contracts**

Our services provided in our engineering services segment are generally undertaken on a project basis and are non-recurring in nature and the majority of our contracts for our transport and security and manpower segments are for terms averaging one (1) to two (2) years. As such, our revenue is dependent upon invitation to quote or tender from our existing and new customers on a project or contract basis. Our revenue and profit may therefore be subjected to some degree of volatility. Our historical performance may not be an indication of our future performance. In the event that we are not able to continuously and consistently secure new projects or projects with substantial contract value or renew or replace our existing contracts, the business, financial condition and results of operation of our Group may be materially and adversely affected.

### **We may face potential liability with respect to warranties given in connection with our services and products**

Some of our contracts with customers include warranties that our services and products will be free of defects for periods usually ranging from one (1) to five (5) years. We do not have any product liability insurance covering our scaffolding, corrosion prevention and insulation works which our Directors believe is not unusual by industry standards and business practices. To the extent that our products and services do not, or are deemed not to, satisfy such warranties, we will be required to carry out rectification works and may be required to indemnify or compensate our customers for damage or losses as well as consequential damages. Such rectification works, indemnification or compensation would not only result in additional costs but could also adversely affect our reputation in the industry as well. In such event, the business, financial condition and results of operation of our Group may be materially and adversely affected. During the Period Under Review, none of the circumstances described above has occurred which had a material adverse impact on the business, financial condition and results of operation of our Group.

### **We are liable for delays in the completion of projects and are exposed to liquidated damages**

Delays in the completion of a project could occur from time to time due to several factors, including but not limited to, adverse weather conditions, shortages of labour, breakdown of equipment and lack of construction, materials, defects, natural disasters, labour disputes, disputes with suppliers and sub-contractors and industrial accidents. A contract between ourselves and our customer or main contractor would normally provide for the payment of liquidated damages by us in the event the project is completed after the date of completion stipulated in the contract. As such, even where we may re-allocate resources to speed up progress for such project, if we fail to complete the project within the term stipulated in the contract for reasons attributable to us, we may be liable to pay liquidated damages under the contract. This may adversely affect our earnings and erode our profit margin for the project. In such event, the business, financial condition and results of operation of our Group may be materially and adversely affected. During the Period Under Review, none of the circumstances described above has occurred which had a material adverse impact on the business, financial condition and results of operation of our Group.

### **We are exposed to project cost overruns and/or costs incurred on variation orders**

In the preparation for a tender submission for projects, internal costing and cost estimates of labour and materials are compiled by the project managers. The contract value quoted in the tender submission is determined after the evaluation of the scope of work and all related costs including indicative prices of suppliers and sub-contractors. However, unforeseen circumstances such as unanticipated price fluctuations in the cost of materials and manpower costs, damages and errors in estimation may arise

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## RISK FACTORS

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during the course of the project. As these unforeseen circumstances may require additional costs and work which are not factored into the contract value or considered to be within our scope of work, in the event we are not able to pass on such costs to our customers, our profit margin for the project may be eroded and the business, financial condition and results of operation of our Group may be materially and adversely affected.

In addition, it is also not uncommon for our customers to change or to request for changes to the scope of our services in the midst of the project, which require additional work, thereby resulting in additional time and costs incurred by us. In order to perform such additional work, we will incur additional time and costs. We will generally submit claims to our customers or main contractors in the form of variation orders for such additional work. However, due to the nature of our industry, work on variation orders are generally commenced or are executed prior to the variation orders being formally approved by our customers due to, among others, time constraints. In the event that there are any disputes and we are required to bear any part of the costs for such additional work, the business, financial condition and results of operation of our Group may be materially and adversely affected. During the Period Under Review, none of the circumstances described above has occurred which had a material adverse impact on the business, financial condition and results of operation of our Group.

### **We are subject to force majeure events and operational and/or equipment failure**

Our operations are subject to various risks inherent in our industry such as fires, natural disasters, and explosions. A number of these risks could have severe consequences, including loss of life or serious injury, significant damage to our suppliers and/or our customers' assets and equipment, environmental pollution, personal injury, litigation and damage to our reputation. Such events will subject us to substantial financial outlay and other liabilities. Our operations are also exposed to the risk of equipment failure, failure by our employees to follow procedures and protocols, as well as risks inherent in operating equipment and machinery, resulting in damage to or loss of any relevant machines, equipment or facilities required in a project or personal injury. A major operational failure could result in substantial loss of life and/or serious injury, damage to or loss of the machines, equipment or facilities, protracted legal disputes and damage to our reputation. Further, our contracts provide that our customers can suspend or refuse services in the event their operations are affected by events of *force majeure*. In the event of operational or equipment failure, we may be forced to cease part of our operations and we may be subject to any penalty or incur extra costs or expenses in any dispute as a result of such operational or equipment failure. As a result, the business, financial condition and results of operation of our Group may be materially and adversely affected. During the Period Under Review, none of the circumstances described above has occurred which had a material adverse impact on the business, financial condition and results of operation of our Group.

### **We are reliant on skilled workers**

Our continued success is dependent on our ability to recruit and retain experienced and skilled workers and support team comprising security officers, technicians, electricians and mechanics to provide and support our various services. As there is a limited number of qualified personnel in the industry, competition for experienced and skilled personnel is intense. There is no assurance that we will be able to attract workers with the requisite skills or experience, or that we are able to retain the skilled workers whom we have trained, or whether suitable and timely replacements can be found for skilled workers who leave us. If we are unable to continue to attract and retain skilled workers, the quality and timeliness of our projects, and consequently our ability to compete effectively and our results of operations will be adversely affected. In the past, our Group has experienced difficulties in recruiting and retaining security officers, cleaning specialists and bus drivers as such jobs entail long and irregular working hours. In addition, such skilled workers are required to be suitably qualified and/or licensed before they are able to be deployed.

In the event of a shortage of such qualified or skilled workers, we may have to increase their salaries in order to attract and retain their services which will result in an increase in our cost of sales and operating expenses. In the event that we are not able to pass on the increase in such costs to our customers, the business, financial condition and results of operation of our Group may be materially and adversely affected. In FY2018, FY2019 and FY2020, labour costs accounted for approximately 68.6%, 70.6% and 66.9% respectively, of our cost of sales.

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## RISK FACTORS

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The availability, requirements and cost of housing for such workers are also subject to government policies. Any changes in such policies may affect the supply of foreign manpower and cause disruptions to our operations as well as an increase in labour costs. In such event, the business, financial condition and results of operation of our Group may be materially and adversely affected. In addition, as certain of our Group's foreign worker employees live in purpose-built dormitories, we also run the risk of a cluster developing at such dormitories should there be any confirmed COVID-19 cases at such dormitories. In the event of any quarantine imposed on such dormitories where our workers live, the business, financial condition and results of operation of our Group may be materially and adversely affected. Please refer to the "Summary of Relevant Laws and Regulations" as set out in Appendix B of this Offer Document for more details on regulations on employment of foreign workers in Singapore, and the risk factor entitled "We are exposed to risks in respect of outbreaks of communicable diseases" for more information on the impact of COVID-19 on our operations.

**We are dependent on foreign labour and the supply of foreign labour may be affected by the laws, regulations and policies in Singapore and the countries from which the foreign labour originates**

We are dependent on the supply of foreign labour for our business operations. For the Period Under Review, our Group employed 280, 292 and 318 foreign workers, representing 55.4%, 55.8% and 59.6% of our total workforce as at 30 June 2018, 30 June 2019 and 30 June 2020 respectively. In Singapore, such foreign workers are regulated by the MOM which set a limit to the number of foreign workers which we may hire and also impose levies on each foreign worker hired by our Group. In the event that the MOM adjusts the dependency ratio ceiling (which sets out the maximum permitted ratio of foreign workers to the total workforce that a company is allowed to hire) to reduce the number of foreign workers that we can employ, we may need to turn to local sources of labour to meet our customers' demands. For example, the MOM has reduced the dependency ratio ceiling for the services sector from 40% to 38% with effect from 1 January 2020 and to 35% with effect from 1 January 2021. The ability of our Group to rely on our local sources of labour is dependent on, among others, the availability of local workers who are willing to be employed in the security and manpower as well as engineering services business segments.

In addition, the MOM has raised the minimum qualifying salary for S Pass holders from S\$2,400 to S\$2,500, with effect from 1 October 2020 for new applicants and from 1 May 2021 for renewal applicants. The minimum qualifying salary for Employment Pass holders has been raised from S\$3,900 to S\$4,500 with effect from 1 September 2020 for new applicants and from 1 May 2021 for renewal applicants. In the event that we are unable to pass on the increase in salary costs of such foreign workers to our customers, the business, financial condition and results of operation of our Group may be materially and adversely affected. Please refer to the "Summary of Relevant Laws and Regulations" as set out in Appendix B of this Offer Document for more details on regulations on employment of foreign workers in Singapore.

In order for the MOM to grant the foreign worker quota, the operating conditions to be met include the following:

- (a) a company must have sufficient local workers in its existing CPF account(s) to support the number of Work Permit/S Pass holders currently employed under each account. Failure to do so will result in the excess Work Permit/S Passes revoked by the MOM. In this aspect, the granting of each Work Permit/S Pass by the MOM is subject to the MOM's internal verification through the relevant CPF account designated for this scheme;
- (b) a company must contribute to CPF for its local workers promptly as the MOM will not grant foreign worker quota based on advance or back payments of CPF contributions. In this aspect, the MOM will be able to verify the timeliness of the CPF contributions by the Company; and
- (c) a company must not contribute to CPF for the same pool of local workers under the different account to qualify for foreign worker quota. In this aspect, the internal auditors of our Group have conducted fieldwork and noted no duplication of payrolls within and across the Group Companies and no material deficiency was noted in the Group's process of monitoring for compliance with labour regulations.

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## RISK FACTORS

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Separately, the supply of foreign labour is affected by the laws, regulations and policies of the countries from which the foreign labour originates. Such laws, regulations and policies or changes thereof or the introduction of additional requirements and/or restrictions by the authorities or governments of these countries may affect the supply of foreign labour and may cause disruptions to our operations, delays in our projects and/or increase our costs if we are unable to find substitutes for the foreign labour. For example, we may source our foreign labour from foreign labour provision agencies and the laws, regulations and policies of the countries from which the foreign labour originates may require the foreign labour provision agencies to be licensed before they may arrange for the foreign labour to work abroad. Hence, if these foreign labour provision agencies breach the relevant laws, regulations and policies and have their licences revoked, we will not be able to source foreign labour from them, and we may not be able to find an alternative foreign labour provision agency.

In the event that we are not able to find a suitable supply of foreign workers to meet the requirements of our customers due to the above factors, the business, financial condition and results of operation of our Group may be materially and adversely affected.

During the Period Under Review, the Group has been in compliance with dependency ratio ceilings set out by the MOM and has not been subjected to any audits/inspections by the MOM and/or breached any of its conditions. The Group has also been in compliance with the laws, regulations and policies of the countries from which our foreign labour originates.

### **Manpower costs constitute a large component of our cost of sales and any significant increase will adversely impact our results of operations**

Our businesses are labour intensive and a substantial portion of our operating expenses are related to manpower costs. For FY2018, FY2019 and FY2020, the total manpower cost of sales for our Group amounted to S\$11.54 million, S\$14.53 million and S\$14.12 million, respectively, representing approximately 68.6%, 70.6% and 66.9% of our cost of sales. In the event of any significant increase in our manpower costs, the business, financial condition and results of operation of our Group may be materially and adversely affected.

### **We may not have sufficient insurance coverage against our operational risks**

We maintain insurance policies to provide insurance coverage of our various businesses. The nature of our business operations entails inherent risks such as risk of fire, theft and property loss at the project worksites during the course of the project or during the delivery of our services. Also, we do not have key man insurance to cover the loss of key personnel. Although our Directors believe we have sufficient insurance coverage in accordance with industry standards and business practices and although we may be required to increase our insurance coverage when necessary, we cannot assure that our existing insurance coverage will be sufficient to indemnify us against all such losses. In the event our existing insurance coverage is insufficient to indemnify us against all or any losses, the business, financial condition and results of operation of our Group may be materially and adversely affected.

Please refer to the section entitled “General Information on our Group – Insurance” of this Offer Document for further details on our Group’s insurance.

### **Our contracts with customers may be terminated without cause**

Most of our service contracts for our security guarding services, cleaning services and transport services give our customers the right to terminate our contracts after a notice period of between one (1) and three (3) months. In FY2019, two (2) contracts with remaining contract sums amounting in aggregate to less than S\$0.17 million, were terminated by us prior to completion as one (1) of the two (2) contracts was not profitable and the other was due to differences in expectations between ourselves and the customer. None of our existing contracts were terminated whether by ourselves or our customers in FY2020. There is no assurance that this will not recur in the future and result in a loss of future revenue. In the event that there is an increase in the number of customers terminating our contracts or in the event we terminate contracts, and we are unable to secure new contracts to offset the loss of these contracts, the business, financial condition and results of operation of our Group may be materially and adversely affected.

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## RISK FACTORS

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### **We are exposed to risks of liability for employee acts or omissions**

If our customers or third parties believe that they have suffered harm to person or property due to an actual or alleged act or omission by our employees in connection with the provision of our services, they may pursue legal action against us, and the cost of defending the legal action and of any judgment against us could be substantial. In particular, for our security services, because our products and services are intended to help protect lives and personal property, we have greater exposure to litigation risks than businesses that provide other products and services. In the event of litigation with respect to such matters, we may incur significant costs of defence. In such event, the business, financial condition and results of operation of our Group may be materially and adversely affected. During the Period Under Review, none of the circumstances described above has occurred which had a material adverse impact on the business, financial condition and results of operation of our Group.

### **Disruptions to our information technology systems could adversely affect our business operations**

The performance and reliability of our information technology systems is important to our business. We rely on our information technology systems for our security services, in particular, to monitor our private security officers' deployment, as well as to ensure our security systems operate properly and within the required parameters. We also utilise information technology systems for our transport services, specifically, for monitoring of the status of our buses to ensure our buses are deployed on time and arrive at each pick-up point or terminus in a timely manner. Our Group also depend on information technology systems for human resources management and other administrative matters.

While our internal auditors have covered our information technology controls in their review and we have put in place information technology infrastructure that we believe is robust and secure, there is no assurance that our information technology systems will not be interrupted or malfunction due to power outages, computer viruses, malicious software, compromises in internal controls, unauthorised access, hardware or software failures, telecommunications failures, fires, failure of security measures or back-up systems or other events which are beyond our control. Although we have put in place disaster recovery systems and back-up systems, we cannot assure you that these measures will be adequate to support our operations in the event of a prolonged breakdown of our primary system or that our back-up systems will not be damaged simultaneously with our primary system. In the event of any disruption to our information technology systems or misappropriation of proprietary information from our information technology systems, the business, financial condition and results of operation of our Group may be materially and adversely affected. During the Period Under Review, none of the circumstances described above has occurred which had a material adverse impact on the business, financial condition and results of operation of our Group.

### **We are subject to laws, regulations and policies imposed by various government and regulatory authorities in Singapore and changes to existing laws, regulations and guidelines or the introduction of new laws, regulations and guidelines could have an adverse impact on our business**

Our business operations are subject to various laws, regulations and policies in Singapore. Any changes in the laws, regulations or policies in Singapore affecting the industries in which we operate may have an adverse impact on our business. Compliance with any changes or new government laws, regulations or policies may also increase our compliance costs. In the event there is any significant increase in compliance costs arising from such amended or new government laws, regulations or policies and if we are unable to pass on the increased costs to our customers, the business, financial condition and results of operation of our Group may be materially and adversely affected. In addition, there can be no assurance that we would be able to comply with the requirements of any new laws, regulations and policies which may result in our Group having to cease certain of our operations and/or incur penalties for any non-compliance. In such event, the business, financial condition and results of operation of our Group may be materially and adversely affected.

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For instance, our businesses in Singapore are subject to, among others, the WSH Act, which requires us to take reasonable and practicable measures to ensure the safety and health of our workers at the worksites. In the event that our worksites contravene the requisite safety and health standards imposed by the regulatory authorities, we may be fined by the regulatory authorities or be issued remedial or stop-work orders. In such event, the business, financial condition and results of operation of our Group may be materially and adversely affected. Please refer to the section entitled “Summary of Relevant Laws and Regulations” as set out in Appendix B of this Offer Document for further details.

In addition, our Group has a BCA grading of L2 for cleaning services which allows us to tender for cleaning projects valued at up to S\$1.3 million. In the event that we are unable to renew any of our BCA registrations and/or maintain our existing grading, the business, financial condition and results of operation of our Group may be materially and adversely affected.

Please refer to the section entitled “Summary of Relevant Laws and Regulations” as set out in Appendix B of this Offer Document for further details of the laws, regulations and policies applicable to our operations.

**We may require various licences, permits and accreditations to operate our business and we are subject to non-renewal, non-granting, revocation or suspension of our licences, permits and accreditations**

We may be required to obtain various licences, permits and accreditations to operate our businesses. Details of these licences, permits, and accreditations are described in the “Summary of Relevant Laws and Regulations” as set out in Appendix B of this Offer Document, and the sections entitled “General Information on our Group – Awards and Accreditations” and “General Information on our Group – Licences, Permits and Approvals” of this Offer Document. Our licences, permits and accreditations are generally subject to conditions stipulated by the relevant issuing authorities or bodies and/or relevant laws or regulations under which such licences, permits and accreditations are issued.

Accordingly, we are required to constantly assess and review our processes and operations to ensure that we are in compliance with the relevant conditions, laws and regulations. Failure to comply with such conditions, laws or regulations could result in the revocation, non-renewal or downgrade of the relevant licence, permit or accreditation, or imposition of fines or other penalties. In addition, any changes to the existing legislation and regulations may require us to apply for new licences, permits and accreditations and there is no assurance that we will be able to obtain these new licences, permits and accreditations. In such event, the business, financial condition and results of operation of our Group may be materially and adversely affected.

For the Security Agencies Grading Exercise conducted by the PLRD for 2020, our grading dropped to Grade “C”. Pursuant to the contractual obligations for an ongoing sub-contract with a contractor under a government agency ending April 2027 at an average of approximately S\$10,900 per month with a balance contract value of S\$851,200 as at the Latest Practicable Date, we are required to maintain a minimum grading of Grade “B”. We have informed the said contractor of our current grading and as at the Latest Practicable Date, it has not chosen to exercise its right to terminate or indicated that it intends to do so.

The drop to Grade “C” would prevent us from tendering for government projects as their usual tender conditions require a minimum Grade “B”. However, there are no provisions in our current non-government contracts to allow for the termination of contract in relation to the drop in grading. The drop in grading will have an adverse effect on the business, financial condition and results of operation of our Group but our Directors are of the view that such effect would not be material. Further details are described in the section entitled “General Information on our Group – Business Overview” of this Offer Document.

Save for the aforementioned, during the Period Under Review, none of the circumstances described above has occurred which had a material adverse impact on the business, financial condition and results of operation of our Group.

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### **We may be affected by competition from existing and new industry players**

The industries that we operate in are highly competitive. In the event that our competitors are more competitive or respond to changes in market conditions more swiftly or effectively than we do, this may result in the loss of tender bids or the lowering of our profit margins in order to maintain our competitiveness. The business, financial condition and results of operation of our Group may be materially and adversely affected if competition intensifies. In the event that we need to lower our profit margins in order to maintain competitiveness, we may not be able to sustain our profit margins and profitability, and may incur losses as a result. In addition, we face competition from existing and new entrants in the various industries. Some of these competitors may have larger financial resources that enable them to compete more efficiently and effectively than us. Accordingly, there is no assurance that we will be able to compete effectively with our existing and future market players and adapt quickly to changing market conditions and trends. In the event we are unable to remain competitive, the business, financial condition and results of operation of our Group may be materially and adversely affected.

### **We are exposed to credit risks of our customers**

We extend credit terms of between 30 to 90 days depending on the creditworthiness of our customers. Our trade receivables turnover days for the Period Under Review were approximately 60, 58 and 86 in FY2018, FY2019 and FY2020 respectively. We face uncertainties over the timeliness of our customers' payments and their ability to pay. Our customers' ability to pay may be affected by events or circumstances that are difficult to foresee or anticipate, such as a decline in their business or an economic downturn. Hence, there can be no assurance that we will be able to collect our trade debts fully or within a reasonable period of time. In the event of any failure to collect our trade debts fully or in a timely manner, the business, financial condition and results of operation of our Group may be materially and adversely affected. The total amount of impairment losses on trade receivables for the Period Under Review were S\$37,815, S\$631 and S\$306,136 in FY2018, FY2019 and FY2020, respectively. Please refer to the section entitled "General Information on our Group – Credit Management" of this Offer Document for more details.

### **We may be subject to potential liability in the event of an accident resulting in property loss, personal injury and/or death**

Accidents which occur during the provision of our services may result in damages to property, injury and/or deaths to our employees or third parties. Although we have sought protection against the risk of such liabilities by obtaining the necessary insurance coverage, we believe that it is not possible for us to be fully insured against every conceivable risk that our Group might be exposed to. If any accidents are not covered by our insurance policies and claims arising from such accidents are in excess of our insurance coverage or if any of our insurance claims are contested by any insurance company, we may be required to pay for such compensation. In such event, the business, financial condition and results of operation of our Group may be materially and adversely affected. In addition, the payment by our insurers of such insurance claims may result in increases in the premiums payable by us for our insurances. This will also increase the costs of our operations, and the business, financial condition and results of operation of our Group may be materially and adversely affected.

### **We may be unable to retain existing customers or secure new projects**

Our business is undertaken on both a recurring basis and on a project basis. For recurring businesses such as transport services and security, cleaning and manpower services, while we have established long-term business relationships with our customers, our customers generally do not commit to definite and long-term purchase contracts for our services. Therefore, there can be no assurance that they will not significantly reduce their orders or stop making purchases from us in the future. There also can be no assurance that business relationships with these customers will remain cordial or that they would continue to be satisfied with our products or services. If our major customers or a significant number of our other customers were to engage services providers other than our Group and if we are unable to secure alternate customers, the business, financial condition and results of operation of our Group may be materially and adversely affected.

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On the other hand, our engineering services business is usually conducted on a project basis which may not be recurring. For such business, it is critical that we continuously and consistently secure new projects. There is no assurance that we will be able to do so. Factors such as competition from competitors or slowdown in the economy or in the industries which we provide our services to may lead to lesser new projects available in the market which may adversely affect us. In the event that we are not able to retain existing customers or secure new projects of similar value, size and margins, the business, financial condition and results of operation of our Group may be materially and adversely affected. Further, any standstills or cancellations of secured projects due to factors such as changes in market conditions or the government's plans or budget may lead to idle or excess capacity which may adversely affect us if we are not able to secure replacement projects on a timely basis. In addition, there may be a lapse of time between the completion of our projects and the commencement of subsequent projects. As such, our earnings and financial performance during such periods may be materially and adversely affected. In such event, the business, financial condition and results of operation of our Group may be materially and adversely affected

### **Operating cost for our transport services may increase due to changes in Singapore regulations, policies and measures relating to road usage and diesel consumption**

As an urban city, the Singapore Government has introduced various regulations, policies and measures to control road usage and reliance on fossil fuels to promote a greener and more sustainable environment.

In Singapore, the LTA has implemented a road pricing scheme known as the ERP system to manage road congestions in selected restricted zones. Under the ERP system, motorists are charged a fee for the use of priced roads in the restricted zone. As at the Latest Practicable Date, the ERP operates on a fixed-location system, where motorists are charged a one-off fee upon entering a restricted zone. The amount of fee charged is dependent on the type of vehicle and the time of entry into the restricted zone. Our premium bus services provide commuters trips between residential estates and the Central Business District using priced roads situated within restricted zones and operate primarily during peak hours when ERP fees are charged. In June 2016, the LTA announced the development of a next generation ERP based on Global Navigation Satellite System (GNSS) technology. Under the next generation ERP, fees will be determined using a distance-based pricing model, where motorists will be charged according to the distance travelled on congested roads. To the best of our Directors' knowledge, the new system is expected to be implemented in mid-2023. As the new ERP will be based on road usage, it is anticipated that motorists that travel longer distances of priced roads will bear higher fees under the new ERP. Depending on the usage rates to be implemented by the LTA, the operating costs for our transport services may increase upon the gradual roll out and launch of the new ERP.

Separately, in February 2019, to encourage users to reduce diesel consumption, the Minister of Finance announced an increase of excise duty on diesel fuel from S\$0.10 per litre to S\$0.20 per litre in the 2019 Budget Statement. The revision came into effect on 18 February 2019. As at the Latest Practicable Date, all our buses operate on diesel fuel. While new road tax rebates and additional cash rebates have been introduced for owners of buses to reduce the impact of the increase in diesel excise duty, our Group still expects the operating cost for our transport services in the long term to increase.

If the abovementioned policies or measures, or other new regulations, policies or measures introduced by the Singapore Government, result in a substantial increase in our operating costs, and we are unable to pass on such costs to our customers or passengers, the business, financial condition and results of operation of our Group may be materially and adversely affected.

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### General Risks

#### **We may face risk of disputes with and claims which may lead to legal and other proceedings from time to time**

Disputes and claims may arise, from time to time, between our Group and our customers, suppliers and sub-contractors for various reasons such as delays, defective workmanship or service, and non-compliance with specifications. These disputes, if remain unresolved or worsen, may eventually result in legal or other proceedings and therefore cause disruptions and delays to our operations, in addition to the additional costs that may be incurred in the settlement or resolution of such disputes. We may also have disagreements with regulatory bodies in the course of our operations, where we may be subject to administrative proceedings and/or unfavourable orders, directives or decrees that may result in financial losses. In the event that we are unable to resolve such disputes satisfactorily or proceedings in a timely manner or at all, the business, financial condition and results of operation of our Group may be materially and adversely affected. Please refer to the section entitled “General and Statutory Information – Litigation” of this Offer Document for further details.

#### **We are exposed to risks in respect of outbreaks of communicable diseases**

An outbreak of various communicable diseases such as COVID-19, severe acute respiratory syndrome, influenza A, the Middle East respiratory syndrome, avian influenza, hand, foot and mouth disease and/or other communicable diseases in the region or around the world could materially and adversely affect our business.

The outbreak of the contagious disease, COVID-19, which affects 219 countries, including Singapore, as at Latest Practicable Date, was declared as a pandemic by the World Health Organisation on 11 March 2020<sup>1</sup>. In late March 2020, Singapore began to restrict the entry of short-term visitors into Singapore, and from early April 2020, Singapore implemented “circuit breaker” measures to minimise the further spread of COVID-19 by elevating the safe distancing measures and restricting businesses to essential services and selected economic sectors critical for local and global supply chains. In late April 2020, the “circuit breaker” measures were further extended to June 2020. In early May 2020, the Singapore Government announced an easing of tighter “circuit breaker” measures in preparation for the gradual resumption of activity and entering of “Phase One” re-opening after 1 June 2020. Since 19 June 2020, Singapore has entered “Phase Two” which allowed the resumption of most activities, subject to safe distancing principles being adhered to.

There is also no assurance that our supply chains will not be affected as a result of any restriction of movement of people and goods imposed by any government in response to the COVID-19 measures, including but not limited to the “circuit breaker” measures. In the event of any disruption to our supply chains, the business, financial condition and results of operation of our Group may be materially and adversely affected.

In addition, due to the “circuit breaker” and safe distancing measures, our engineering services such as provision and installation of scaffolding systems were temporarily halted from April 2020 to July 2020 thereby resulting in a delay in certain of our projects. We have also experienced a decrease in the demand for our transport services, partly due to the increase in number of employees working from home. Arising from such events, the business, financial condition and results of operation of our Group may be materially and adversely affected.

In addition, while as at the Latest Practicable Date, there are no positive cases of COVID-19 among our Group’s employees, there is no guarantee that they will not be infected and/or be suspected of having COVID-19 or no guarantee of the worksites where we provide our scaffolding systems will not be identified as a possible cluster of COVID-19 cases, requiring our employees to be

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<sup>1</sup> This information is extracted from the press release entitled “WHO Director-General’s opening remarks at the media briefing on COVID-19 - 11 March 2020” dated 11 March 2020, accessible at <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>

The World Health Organisation has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

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quarantined and/or hospitalised and the affected premises required to undergo disinfection. As our foreign worker employees live in purpose-built dormitories, we also run the risk of a cluster developing at such dormitories should there be any confirmed COVID-19 cases. Further, from April 2020 to August 2020, 133 of our workers living in dormitories were placed on quarantine and were not able to be deployed for work. As a result, we were not able to deploy all our employees for work during this period. In the event of any quarantine or suspension of our operations, the business, financial condition and results of operation of our Group may be materially and adversely affected.

Unlike in the severe acute respiratory syndrome outbreak in 2003, which was largely limited to East Asia, the numbers infected by COVID-19 have exploded across the world, from Europe to the United States to Iran. The COVID-19 pandemic's economic fallout is expected to adversely affect Singapore for at least a year<sup>2</sup>, and severely impacting industries our business may be reliant on, such as the aviation and construction industries. The downturn in the aviation industry arising from travel restrictions has led to a global collapse in the demand for travel, which in turn, has had a material adverse impact on our aviation manpower supply services. The suspension of construction activities in Singapore has also led to a material adverse impact on our engineering services. In the event the aviation industry, construction industry or any other industry we are reliant on, does not improve, the business, financial condition and results of operation of our Group may be materially and adversely affected.

The COVID-19 outbreak has caused stock markets worldwide to lose significant value and impacted economic activity in Asia and worldwide. Uncertainty about the effects of COVID-19 has resulted in significant disruption to capital and securities markets, which, if it continues, may affect our Group's ability to raise new capital and refinance its existing debt. A number of governments (including the Singapore Government) have revised GDP growth forecasts for 2020 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis or recession. In such event, the business, financial condition and results of operation of our Group may be materially and adversely affected. While governments (including the Singapore Government) have introduced and may introduce further support and relief measures in response to the COVID-19 pandemic, there is no assurance that such support packages will be effective in improving the state of the local and global economy. Please refer to the "Summary of Relevant Laws and Regulations" as set out in Appendix B of this Offer Document for more information on the COVID-19 reliefs and measures introduced by the Singapore Government which are applicable to our business and operations.

As at the Latest Practicable Date, the COVID-19 outbreak remains ongoing and the actual extent of the outbreak and its impact on the domestic, regional and global economy remains uncertain. Please refer to the section entitled "Prospects, Trends, Business Strategies and Future Plans – Trend Information" of this Offer Document for further details on the impact of the outbreak of COVID-19 on our business.

Besides COVID-19, countries in the Asia-Pacific region have been adversely affected by outbreaks of infectious diseases over the past decade. More recently, in 2016, there was a global outbreak of infections caused by the Zika virus, which is transmitted primarily through the bite of certain infected *Aedes* species mosquitoes. First emerging in South America in 2015, outbreaks have been reported in Central America, the Caribbean, tropical Africa, Southeast Asia and the Pacific Islands. In February 2016, the World Health Organisation declared the Zika virus a global health emergency. In the event that any of our employees are infected with any communicable disease, we may be required to temporarily suspend operations or shut down our offices or quarantine the relevant workers to prevent the spread of the disease. This may result in delays in our fulfilment of contracts or delivery of our products, and in such event, the business, financial condition and results of operation of our Group may be materially and adversely affected.

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<sup>2</sup> This information is extracted from the article entitled "Economic impact of COVID-19 to last at least a year: Vivian" published by The Straits Times dated 17 March 2020, accessible at <https://www.straitstimes.com/singapore/economic-impact-of-covid-19-to-last-at-least-a-year-vivian>

The Straits Times has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

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### **We may not be able to successfully implement our business strategies and/or future plans**

As part of our future plans and depending on available opportunities, feasibility and market conditions, we may also explore joint ventures, strategic alliances, acquisitions or investment opportunities in businesses that are complementary to our business to gain access to new business opportunities and/or overseas markets. Such plans involve numerous risks, including but not limited to, the financial costs and working capital requirements. There can be no assurance that we will be successful in our business strategies and/or future plans, or manage our costs effectively. In the event that we are not able to carry out such business strategies and/or future plans efficiently, the business, financial condition and results of operation of our Group may be materially and adversely affected.

Participation in strategic alliances, acquisitions and/or investments similarly involves numerous risks, including but not limited to, difficulties in the assimilation of the management, operations, services, products and personnel, the possible diversion of management's attention from other business concerns and the loss of capital. The successful implementation of our business strategies and/or future plans depends on our ability to identify suitable partners and the successful integration of their operations with ours. There can be no assurance that we will be able to execute such business strategies and/or future plans successfully and as such, the performance of any strategic alliances, acquisitions or investments could fall short of expectations. In such event, the business, financial condition and results of operation of our Group may be materially and adversely affected.

### **We may not be able to obtain additional funding to finance working capital needs or for our business growth**

We may require funding to finance the working capital needs of our Group. In particular, as a service provider, our Group employs a large number of skilled workers and other employees. The remuneration of such skilled workers and employees are typically paid on a monthly basis and contributed to approximately 68.6%, 70.6% and 66.9% of our Group's total cost of sales for FY2018, FY2019 and FY2020, respectively. During the Period Under Review, our Group has funded all working capital requirements from internal resources generated from our operations. However, there is no assurance that our internal resources of funds will be adequate to meet all our future working capital needs.

Separately, to undertake more and/or larger scale projects or to expand our service offerings, our Group may be required to secure additional funding for the acquisition of equipment, such as scaffolds, cleaning machines and newer security systems, or the renewal of our bus fleet.

In the event our internal resources are not adequate to fund our Group's requirements, we may need to secure additional financing from financial institutions. Our ability to obtain adequate financing on terms which are acceptable to us depends on a number of factors such as our financial strength, our creditworthiness and our prospects, and other factors that are beyond our control, including general economic, liquidity and political conditions, the terms on which financial institutions are willing to extend credit to us, and the availability of other sources of debt financing or equity financing.

Therefore, there is no assurance that our Group will be able to obtain additional financing on terms acceptable to us, or at all. Additional financing would also increase our interest expenses and gearing and there may be covenants that restrict our ability to pay dividends and/or restrict our flexibility in utilising working capital to react to changes in the business environment. In the event that we are unable to secure adequate financing at acceptable costs, the business, financial condition and results of operation of our Group may be materially and adversely affected.

### **We may not be able to successfully expand and diversify our operations and increase our service offerings**

We intend to expand and diversify our operations and increase our service offerings either through our own investments or through potential mergers and acquisitions, joint ventures and/or strategic collaborations. Please refer to the section entitled "General Information on Our Group – Business Strategies and Future Plans" of this Offer Document for more details on our future plans. There is no guarantee that the implementation and execution of such business strategies and future plans will be successful as this involves a number of risks and uncertainties. In the event we are unsuccessful in implementing and executing such business strategies and/or future plans effectively, the business, financial condition and results of operation of our Group may be materially and adversely affected.

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### **We are dependent on our continued ability to retain our key management personnel for our operations and profitability**

Our continued success is highly dependent on our ability to retain our key management personnel including our Executive Directors namely, Mr Poh Soon Keng and Mr Foo Der Rong. Together, our Board and Executive Officers are responsible for formulating and implementing our growth, corporate development and overall business strategies. In the event of any loss of the services of any of our key management personnel without a suitable and timely replacement, the business, financial condition and results of operation of our Group may be materially and adversely affected. Please refer to the section entitled “Directors, Executive Officers and Employees” of this Offer Document for further details on our Directors and Executive Officers.

### **Our Group may be adversely affected by the uncertain global economic outlook**

Our business is susceptible to the financial markets and economic conditions in Singapore. Factors such as GDP growth, disposable income and unemployment rates, will affect the demand for the various services we offer and in turn, the business, financial condition and results of operation of our Group may be materially and adversely affected.

Our financial performance may also be adversely affected by disruption in the global financial markets and economies. Crises, such as the 2008 global financial crisis, and/or slowdown in the global economy could result in, *inter alia*, much economic volatility, less liquidity and tightening of credit. Additionally, changes in the global political and social conditions, such as those arising from the 2018 US-China trade war, may lead to greater uncertainty in the financial markets and impinged upon the health of the global economic and financial systems. Please also refer to the risk factor entitled “We are exposed to risks in respect of outbreaks of communicable diseases” for the impact of COVID-19 on our operations.

Given such uncertainties of the future economic outlook, there is no assurance that we will be able to maintain or continue to grow our business, or that we will be able to react promptly to any changes in economic conditions. In the event that we fail to react promptly to the changing economic conditions, the business, financial condition and results of operation of our Group may be materially and adversely affected. There is also no assurance that the factors which have contributed to the success of our Group in the past will continue to do so in the future. If economic conditions deteriorate in the future, the business, financial condition and results of operation of our Group may be materially and adversely affected.

### **We may be affected by any adverse impact on our reputation and goodwill**

The origins of our Group can be traced back to 2000, when our founder and Executive Chairman and CEO, Mr Poh Soon Keng, incorporated Aedge Technologies under the name “Auto-Interactive Pte Ltd” as an e-commerce and information technology solutions provider. Since then, our Group has established itself as a multi-services provider providing a comprehensive range of services. Due to the nature of the sectors that we operate in, our business is sensitive to the perception that our customer, as well as potential customers, may have of the reliability and quality of our services.

Any incident which may be perceived as a lapse on our part could lead to damage to our brand name and reputation. If our services do not meet the expectations of our customers, whether as a result of factors outside of our control or as a result of any lapses caused by our employees, our Group’s reputation could be damaged and the business, financial condition and results of operation of our Group may be materially and adversely affected.

Any negative publicity about us, our Directors or our Executive Officers, whether founded or unfounded, may tarnish our reputation and goodwill with our customers and suppliers. Such negative publicity may include, *inter alia*, unsuccessful attempts in joint ventures, acquisitions or take-overs, or involvement in litigation, insolvency proceedings or investigations by government authorities. Under these circumstances, our customers and suppliers may lose confidence in our business, our Directors or our Executive Officers, and this could affect our business relationships with them and their referral of new business opportunities to us. In such event, the business, financial condition and results of operation of our Group may be materially and adversely affected.

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### **We could be implicated by the leakage or misappropriation of our customers' personal information**

Our business operations require us to retain information pertaining to our employees, customers and suppliers, as well as routinely transmit personal, confidential and proprietary information over public networks. Although we have employed appropriate measures to protect against unauthorised access of such personal, confidential and proprietary information, our current security measures may not be adequate. Any party who can circumvent our security systems may be able to steal or misuse such information and/or disrupt our operations. Failure to establish adequate safeguards to protect the personal data in our possession against accidental or unlawful loss or modification, unauthorised access, use or similar risks may result in security breaches or material non-compliance with third party security requirements. Such events may expose us to the imposition of fines or regulatory action, such as those regulated under the PDPA, a risk of loss or litigation and potential liability for failing to secure confidential customer or supplier information. In the event that we are unable to assure the security of such personal data in our possession, the business, financial condition and results of operation of our Group may be materially and adversely affected.

### **RISKS RELATING TO AN INVESTMENT IN OUR SHARES**

#### **Our Controlling Shareholders, PTCC, Mr Poh Soon Keng, Ms Poh Pei Chi and Ms Tan Siew Lan, will retain significant control over our Company after the Placement, which will allow them to influence the outcome of matters submitted to Shareholders for approval**

Upon the completion of the Placement, our Controlling Shareholder, PTCC, will own approximately 63.7% of our post-Placement share capital. Our Executive Chairman and CEO, Mr Poh Soon Keng is deemed interested in all our Shares held by PTCC through his 26.7% shareholding in PTCC by virtue of Section 4 of the SFA. He also holds 6.3% of our post-Placement share capital directly. Ms Poh Pei Chi is deemed interested in all our Shares held by PTCC through her 33.3% shareholding in PTCC by virtue of Section 4 of the SFA. Our Human Resource and Administration Director, Ms Tan Siew Lan is deemed interested in all our Shares held by PTCC through her 26.7% shareholding in PTCC by virtue of Section 4 of the SFA. As a result, they will be able to exercise significant influence over matters requiring Shareholders' approval, including the election of directors and the approval of significant corporate transactions. They will also effectively have veto power with respect to any Shareholders' action or approval requiring a majority vote except where they are required by the Catalist Rules or other applicable regulations to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a takeover or change in control of our Group even if it may benefit the Shareholders.

#### **Investment in securities quoted on Catalist involves a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST**

An application has been made for our Shares to be listed for quotation on Catalist, a listing platform designed primarily for fast-growing and emerging or smaller companies to which a higher investment risk tends to be attached as compared to larger or more established companies listed on the Main Board of the SGX-ST. As such, an investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST. There is no assurance that an active or liquid trading market for our Shares will develop or be sustained after the Placement.

Pursuant to the Catalist Rules, we are required to, among others, retain a sponsor at all times after our admission to Catalist. In particular, unless approved by the SGX-ST, the Sponsor must act as our continuing sponsor for at least three (3) years after the admission of our Company to Catalist. Following the expiration of the three-year period, there is no assurance that the Sponsor will continue to act as our sponsor or that we will be able to find a new sponsor. In the event that we do not have a sponsor for more than three (3) continuous months, we may be removed from the Catalist.

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## RISK FACTORS

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### **There has been no prior market for our Shares, and the Placement may not result in an active or liquid market for our Shares**

Prior to the Placement, there has been no public market for our Shares. Although we have made an application to the SGX-ST for the listing and quotation of our Shares on Catalist, there is no assurance that a liquid market for our Shares will develop or be sustained after the Placement. If an active market for our Shares does not develop after the Placement, the market price and liquidity of our Shares may be adversely affected. The Placement Price may not necessarily be indicative of the market price of the Shares after the Placement and investors may not be able to sell their Shares at or above the Placement Price. The Catalist Rules require that companies applying for listing of their equity securities on Catalist meet certain minimum shareholding spread and distribution requirements. While we will need to meet these requirements in order to list our Shares on Catalist, these requirements are only minimum requirements and our shareholding spread and distribution in the Placement and our post-Placement shareholding spread may not substantially exceed these limits or may even fall below these limits after the Placement. In the case where the percentage of our post-Placement share capital held by public shareholders is less than 10.0%, the SGX-ST may suspend trading of our Shares. As a result, liquidity of our Shares can be materially curtailed and there may be no or limited trading in our Shares, and you may not be able to acquire our Shares or sell your Shares in our Company, either at a favourable price, or at all. In addition, if shares, such as our Shares, have limited liquidity, the price of such shares can fluctuate significantly as a result of only one or a small number of trades in these shares.

### **Our Share price may be volatile in future which could result in substantial losses for investors purchasing Shares pursuant to the Placement**

There is no assurance that the market price for our Shares will not decline below the Placement Price. The Placement Price was determined after consultation between our Company and the Sponsor, Issue Manager and Placement Agent, after taking into consideration, among others, market conditions and estimated market demand for our Shares. The Placement Price may not necessarily be indicative of the market price for our Shares after the completion of the Placement. The market price of our Shares may fluctuate significantly and rapidly as a result of, among others, the following factors, some of which are beyond our control:

- (a) variations in our financial or operating results;
- (b) fluctuations in stock market prices and volume;
- (c) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (d) changes in conditions affecting the industry, the general economic conditions or stock market sentiments;
- (e) announcements by our competitors or ourselves about significant contracts, acquisitions, strategic alliances or joint ventures or capital commitments;
- (f) appointments or departures of key personnel;
- (g) involvement in litigation proceedings;
- (h) material changes or uncertainty in the political, economic and regulatory environment in Singapore or elsewhere; and
- (i) discrepancies between our actual operating results and those expected by investors and securities/research analysts.

For these reasons, among others, our Shares may trade at prices that are higher or lower than the NAV per Share. In addition, our Shares are not capital-safe products and there is no guarantee that investors of our Shares can realise a higher amount or even the principal amount of their investments.

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## RISK FACTORS

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The stock markets have from time to time experienced significant price and volume fluctuations that have affected the market prices of securities. These fluctuations often have been unrelated or disproportionate to the operating performance of publicly-traded companies. In the past, following periods of volatility in the market price of a particular company's securities, an investor may lose all or part of his investment and litigation has sometimes been brought against that company. If similar litigation is instituted against us, it could result in substantial costs and divert management's attention and resources from our core business.

### **Future sales or issuance of our Shares may adversely affect the price of our Shares**

Any future sale or issuance or availability of a large number of our Shares in the public market may have a downward pressure on our Share price. The sale of a significant amount of our Shares in the public market after the Placement, or the perception that such sales may occur, may materially and adversely affect the market price of our Shares. These factors also affect our ability to sell additional equity securities. Save as disclosed under the section entitled "Shareholders – Moratorium" of this Offer Document and subject to all applicable laws and regulations, there will be no restriction on the ability of our Shareholders to sell their Shares either on the SGX-ST or otherwise. In addition, our Share price may come under downward pressure if certain of our Shareholders sell their Shares upon the expiry of their moratorium periods.

### **We may require additional funding for our future growth**

In view of the fast-changing business requirements and market conditions, certain business opportunities that may increase our revenue may arise from time to time and we may be required to expand our capabilities and business through acquisitions, joint ventures, strategic partnerships or alliances with parties who can add value to our business. Funding for expansion, if raised through the issuance of equity or securities convertible into equity, may result in a dilution of our Shareholders' equity, particularly if issued at a discount to the then prevailing market price of our Shares. If we fail to use the new equity to generate a commensurate increase in earnings, our EPS may be diluted, and this could lead to a decrease in our Share price.

Alternatively, if our funding requirements are met by way of additional debt financing, we may have restrictions placed on us through such debt financing arrangements which may, *inter alia*:

- (a) limit our ability to pay dividends or require us to seek consent for the payment of dividends;
- (b) increase our vulnerability to general adverse economic and industry conditions;
- (c) limit our ability to pursue our growth plans;
- (d) require us to dedicate a substantial portion of our cash flow from our operations to payment of our debt, thereby reducing the availability of our cash flow to fund other capital expenditure, working capital requirements and other general corporate purposes; and/or
- (e) limit our flexibility in planning for, or reacting to, changes in our business and our industry.

The current disruptions, volatility or uncertainty of the credit markets could limit our ability to borrow funds or cause our borrowings to be more expensive in future. As such, we may be forced to pay unattractive interest rates, thereby increasing our interest expense, decreasing our profitability and reducing our financial flexibility if we take on additional debt financing.

### **Investors may not be able to participate in future issues of our Shares**

In the event that we issue new Shares, we may elect not to offer those Shares to our existing Shareholders at the time of issue, except where we choose to conduct a rights issue. However, in electing to conduct a rights issue or certain other equity issues, we may be subject to regulations as to the procedures to be followed in making such rights offering available to our Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. In addition, we may choose not to offer rights issues or other equity issues to our Shareholders having an address outside Singapore. Accordingly, certain Shareholders may be unable to participate in future offerings of our Shares and may experience dilution of their shareholdings as a result.

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## RISK FACTORS

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### **Investors in our Shares will face immediate dilution in NAV per Share and may experience further dilution**

Our Placement Price of S\$0.20 per Share is higher than our NAV per Share of 15.49 cents based on the post-Placement issued and paid-up share capital adjusted for the net proceeds from the issue of the Placement Shares. If we were liquidated immediately following the Placement, each investor subscribing for the Placement Shares would receive less than the price he paid for the Shares. Please refer to the section entitled “Dilution” of this Offer Document for further details. In addition, we may issue Option Shares and/or Award Shares under the Aedge ESOS and the Aedge PSP respectively. To the extent that such Option Shares and/or Award Shares are issued, there may be further dilution to investors participating in the Placement. Please refer to the sections entitled “Aedge ESOS”, “Aedge PSP”, “Appendix F – Rules of the Aedge ESOS” and “Appendix G – Rules of the Aedge PSP” of this Offer Document for more information.

### **Negative publicity which includes those involving our Group, any of our Directors, Executive Officers or Controlling Shareholders may adversely affect our Share price**

Negative publicity or announcements involving our Group, any of our Directors, Executive Officers or Controlling Shareholders may adversely affect the market perception of our Group or the performance of our Shares, whether or not it is justified. Some examples include unsuccessful attempts in joint ventures, acquisitions or take-overs, or involvement in litigation or insolvency proceedings.

### **We may not be able to pay dividends in the future**

Our ability to declare dividends to our Shareholders will depend on, among others, our future financial performance, distributable reserves and cash flows. This is in turn dependent on our ability to implement our future plans and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand for and selling prices of our products and services and other factors specific to our industry, many of which are beyond our control. As such, there is no assurance that we will be able to pay dividends to our Shareholders.

The receipt of dividends from our subsidiaries may also be affected by the passage of new laws, adoption of new regulations and other events outside our control, and our subsidiaries may not continue to meet the applicable legal and regulatory requirements for the payment of dividends in the future. Source withholding tax may also apply to dividends and distributions from our subsidiaries to us, in the event we operate any foreign subsidiaries in the future. If our subsidiaries stop paying dividends or reduce the amount of the dividends they pay to our Company, or dividends become subject to increased tax because of changes in ownership of our subsidiaries or changes in tax laws or treaties, it would have an adverse effect on our ability to pay dividends on our Shares. As at the Latest Practicable Date, our Group does not have any foreign subsidiary.

For a description of our dividend policy, please refer to the section entitled “Dividend Policy” of this Offer Document.

### **Singapore take-over laws contain provisions which could adversely affect the market price of the Shares**

The Take-over Code contains certain provisions that may possibly delay, deter or prevent a future take-over or change in control. Under the Take-over Code, except with the consent of the Securities Industry Council of Singapore, any person acquiring an interest, whether by a series of transactions over a period of time or not, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting Shares, is required to extend a take-over offer for the remaining voting Shares in accordance with the Take-over Code. Except with the consent of the Securities Industry Council of Singapore, such a take-over offer is also required to be made if a person holding between 30.0% and 50.0% (both inclusive) of the voting Shares, either on his own or together with parties acting in concert with him, acquires additional voting Shares representing more than 1.0% of the voting Shares in any six (6) month period. While the Take-over Code seeks to ensure an equality of treatment among Shareholders, its provisions could substantially impede the ability of the Shareholders to benefit from a change of control and, as a result, may adversely affect the market price of the Shares and the ability to realise any benefits from a potential change of control.

## USE OF PROCEEDS FROM THE PLACEMENT AND EXPENSES INCURRED

The gross proceeds from the Placement will be approximately S\$3.20 million. The net proceeds to be raised from the Placement, after deducting the aggregate estimated expenses of approximately S\$1.52 million, is approximately S\$1.68 million.

We intend to utilise the gross proceeds from the Placement in the following manner:

<b>Use of proceeds</b>	<b>Amount (S\$'000)</b>	<b>Amount allocated for each dollar of the proceeds raised by our Company from the issuance of the Placement Shares (cents)</b>
Acquisition of property, plant and equipment	1,328	41.5
General working capital purposes	350	10.9
<b>Net proceeds</b>	<b>1,678</b>	<b>52.4</b>
<b>Listing expenses<sup>(1)</sup></b>		
Listing and application fees	43	1.3
Professional fees	1,263	39.5
Placement commission <sup>(2)</sup>	112	3.5
Miscellaneous expenses	104	3.3
<b>Gross proceeds</b>	<b>3,200</b>	<b>100.0</b>

**Notes:**

- (1) In accordance with SFRS(I), S\$0.31 million of the listing expenses incurred by our Company in connection with the Placement will be capitalised against share capital and the balance of the listing expenses will be charged under our Company's profit or loss.
- (2) Please refer to the section entitled "General and Statutory Information – Sponsorship, Management and Placement Arrangements" of this Offer Document for further details.

Please refer to the section entitled "Prospects, Trends, Business Strategies and Future Plans – Business Strategies and Future Plans" of this Offer Document for more details on our future plans. None of the proceeds raised from the Placement will be used to discharge, reduce or retire any indebtedness of our Group. None of the net proceeds from the Placement will be used (a) directly or indirectly, to acquire or refinance the acquisition of assets other than in the ordinary course of business; or (b) to finance or refinance the acquisition of another business or entity.

Pending the deployment of the net proceeds as aforesaid, the funds will be placed in short-term deposits, money market instruments and/or used for our Group's working capital requirements, as our Directors may, in their absolute discretion, deem appropriate.

The foregoing represents our reasonable estimate of our allocation of the net proceeds based on our current plans and reasonable estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates and we may find it necessary or advisable to re-allocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. In the event that any part of our proposed uses of the net proceeds does not materialise or proceed as planned, our Directors will evaluate the situation and may re-allocate our net proceeds for other purposes, and/or hold such funds on short-term deposits for so long as our Directors deem it to be in the interest of our Company and Shareholders, taken as a whole. Any change in the use of the net proceeds from the Placement will be subject to the Catalist Rules and appropriate announcements will be made by our Company on SGXNET at the SGX-ST's website, <http://www.sgx.com>.

We will make periodic announcements on the use of the net proceeds as and when the funds are materially disbursed, and provide a status report on the use of the proceeds in our annual report.

In the reasonable opinion of our Directors, there is no minimum amount which must be raised from the Placement.

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## PLACEMENT STATISTICS

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**PLACEMENT PRICE** 20.00 cents

### NAV

NAV per Share based on the audited combined statement of financial position of our Group as at 30 June 2020:

- |     |   |             |
|-----|---|-------------|
| (a) | before adjusting for the estimated net proceeds from the Placement and based on the pre-Placement share capital of 90,000,000 Shares  | 16.38 cents |
| (b) | after adjusting for the estimated net proceeds from the Placement and based on the post-Placement share capital of 106,000,000 Shares | 15.49 cents |

Premium of Placement Price over the NAV per Share based on the audited combined statement of financial position of our Group as at 30 June 2020:

- |     |   |       |
|-----|---|-------|
| (a) | before adjusting for the estimated net proceeds from the Placement and based on the pre-Placement share capital of 90,000,000 Shares  | 22.1% |
| (b) | after adjusting for the estimated net proceeds from the Placement and based on the post-Placement share capital of 106,000,000 Shares | 29.1% |

### NTA

NTA per Share based on the audited combined statement of financial position of our Group as at 30 June 2020:

- |     |   |             |
|-----|---|-------------|
| (a) | before adjusting for the estimated net proceeds from the Placement and based on the pre-Placement share capital of 90,000,000 Shares  | 16.36 cents |
| (b) | after adjusting for the estimated net proceeds from the Placement and based on the post-Placement share capital of 106,000,000 Shares | 15.48 cents |

Premium of Placement Price over the NTA per Share based on the audited combined statement of financial position of our Group as at 30 June 2020:

- |     |   |       |
|-----|---|-------|
| (a) | before adjusting for the estimated net proceeds from the Placement and based on the pre-Placement share capital of 90,000,000 Shares  | 22.2% |
| (b) | after adjusting for the estimated net proceeds from the Placement and based on the post-Placement share capital of 106,000,000 Shares | 29.2% |

### EPS

Historical EPS based on the audited combined statement of comprehensive income of our Group for FY2020 and the pre-Placement share capital of 90,000,000 Shares 0.47 cents

Historical EPS based on the audited combined statement of comprehensive income of our Group for FY2020 and the pre-Placement share capital of 90,000,000 Shares, assuming that the Service Agreements had been in place from the beginning of FY2020 0.34 cents

### PER

Historical PER based on the Placement Price and the historical EPS for FY2020 42.7 times

Historical PER based on the Placement Price and the historical EPS for FY2020 assuming that the Service Agreements had been in place since the beginning of FY2020 59.0 times

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## PLACEMENT STATISTICS

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### Net operating cash flow<sup>(1)</sup>

Historical net operating cash flow per Share for FY2020 based on the pre-Placement share capital of 90,000,000 Shares 1.53 cents

Historical net operating cash flow per Share for FY2020 based on the pre-Placement share capital of 90,000,000 Shares, assuming that the Service Agreements had been in place since the beginning of FY2020 1.37 cents

### Price to net operating cash flow

Ratio of Placement Price to historical net operating cash flow per Share for FY2020 13.07 times

Ratio of Placement Price to historical net operating cash flow per Share for FY2020, assuming that the Service Agreements had been in place since the beginning of FY2020 14.56 times

### Market Capitalisation

Our market capitalisation based on the Placement Price and the post-Placement share capital of 106,000,000 Shares S\$21.20 million

#### Note:

(1) Net operating cash flow refers to the net cash flows from operating activities.

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## DIVIDEND POLICY

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Our Company was incorporated in Singapore on 3 October 2019.

During the Period Under Review, Aedge Holdings declared and paid dividends of S\$0.5 million and S\$2.0 million in respect of FY2018 and FY2019 respectively. In FY2020, Aedge Services, Aedge Technologies and our Company declared and paid dividends of S\$1.2 million, S\$1.0 million and S\$2.0 million respectively.

Save for the above, no dividends have been declared or paid by our Company or our subsidiaries during the Period Under Review and the period from 1 July 2020 to the Latest Practicable Date.

We currently do not have a fixed dividend policy. The form, frequency and amounts of future dividends on our Shares that our Directors may recommend or declare will depend on, among other factors deemed relevant by our Directors, the factors outlined below:

- (a) our cash flow and retained earnings;
- (b) our actual and projected business and financial performance;
- (c) our projected levels of capital expenditure and expansion plans;
- (d) results of operations;
- (e) our working capital requirements and general financing condition;
- (f) restrictions on payment of dividends imposed on our Company (if any); and
- (g) the general economic and business conditions in countries in which we operate.

In addition, our Company is a holding company and depends on the receipt of dividends and other distributions from our subsidiaries to pay the dividends on our Shares.

Subject to our Constitution and in accordance with the Companies Act, our Company may declare an annual dividend subject to the approval of our Shareholders in a general meeting, but no dividend or distribution shall be declared in excess of the amount recommended by our Directors. Subject to our Constitution and in accordance with the Companies Act, our Directors may also from time to time declare an interim dividend without the approval of our Shareholders. Our Company must pay all dividends out of our profits.

For information relating to taxes payable on dividends, please refer to the section entitled "Taxation" as set out in Appendix E of this Offer Document.

All dividends are paid *pro-rata* among the Shareholders in proportion to the amount paid up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provide otherwise. Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that Shareholder in respect of that payment.

The amount of dividends declared and paid by our Company in the past should not be taken as an indication of the dividends payable in the future. No inference shall or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends in any of the periods discussed. We cannot provide any assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future. The form, frequency and any amount of future dividends will depend on the factors set out above. Any dividends declared will be disclosed in our Company's financial results announcement as required under Appendix 7C of the Catalyst Rules.

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## SHARE CAPITAL

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Our Company (Company Registration Number: 201933214E) was incorporated in Singapore on 3 October 2019 under the Companies Act as a private company limited by shares under the name of “Aedge Group Pte. Ltd.”. Our Company was converted into a public limited company on 24 March 2020 and the name of our Company was changed to “Aedge Group Limited” in connection therewith.

As at the date of incorporation, our issued and paid-up share capital was S\$1 comprising one (1) Share. Immediately after the completion of the Restructuring Exercise and Sub-Division, our issued and paid-up share capital was S\$11.70 million comprising 90,000,000 Shares.

On 24 March 2020, our Shareholders approved, among others, the following:

- (a) the conversion of our Company into a public limited company and the change of our name to “Aedge Group Limited”;
- (b) the adoption of our Constitution;
- (c) the sub-division of every one (1) Share to 9,000 Shares, whereupon our issued and paid-up share capital remained at approximately S\$11.70 million comprising 90,000,000 Shares;
- (d) the adoption of the Aedge ESOS, and the authorisation of our Directors, to allot and issue Shares upon the grant of Options granted under the Aedge ESOS; and
- (e) the adoption of the Aedge PSP, and the authorisation of our Directors, to allot and issue Shares upon the grant of Awards granted under the Aedge PSP.

On 12 November 2020, our Shareholders approved, among others, the following:

- (a) the allotment and issue of the Placement Shares pursuant to the Placement, which when allotted, issued and fully paid-up, will rank *pari passu* in all respects with the existing issued and fully paid-up Shares;
- (b) the listing and quotation of all the issued Shares, the Placement Shares, the Options Shares and the Award Shares to be allotted and issued (if any), on Catalist; and
- (c) the authorisation for our Directors, pursuant to Section 161 of the Companies Act and by way of ordinary resolution in a general meeting, to:
  - (A) issue Shares whether by way of rights, bonus or otherwise;
  - (B) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to, the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as our Directors shall in their absolute discretion deem fit;
  - (C) issue Shares in pursuance of any Instrument made or granted by our Directors while this authority is in force (notwithstanding that such issue of Shares pursuant to the Instrument may occur after the expiration of the authority contained in this resolution), provided that:
    - (i) the aggregate number of Shares to be issued pursuant to such authority (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this authority) does not exceed 100.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of our Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to the then existing Shareholders

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## SHARE CAPITAL

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- (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 50.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of our Company (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the total number of the issued Shares shall be based on the total number of issued Shares of our Company (excluding treasury shares and subsidiary holdings) immediately after the Placement, after adjusting for:
    - (aa) new Shares arising from the conversion or exercise of any convertible securities;
    - (bb) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time this authority is passed, provided the options or awards were granted in compliance with the Catalist Rules; and
    - (cc) any subsequent bonus issue, consolidation or sub-division of Shares;
  - (iii) in exercising the authority conferred by this resolution, our Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of our Company; and
  - (iv) (unless revoked or varied by our Company in general meeting) the authority conferred by this resolution shall take effect from the date of admission of our Company to Catalist and continue in force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting of our Company is required by law to be held, whichever is earlier; and
- (D) without prejudice to the generality of, and pursuant and subject to the approval of the general mandate to issue Shares set out in sub-paragraph (C) above, authorisation of our Directors, pursuant to Section 161 of the Companies Act, to issue Shares other than on a *pro rata* basis, at a discount of not more than 10.0% to the weighted average price of the Shares for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed (or if not available, the weighted average price based on trades done on the preceding market day up to the time the placement or subscription agreement is signed), at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit, provided that (unless revoked or varied by our Company in general meeting) the authority so conferred in this paragraph (D) shall continue in force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting of our Company is required by law to be held, whichever is earlier.

As at the date of this Offer Document, our Company has only one (1) class of shares, being ordinary shares. A summary of the Constitution of our Company relating to, among others, the voting rights of our Shareholders, is set out in the section entitled "Summary of the Constitution of our Company" as set out in Appendix C of this Offer Document.

As at the date of this Offer Document, the issued and paid-up share capital of our Company is S\$11.70 million comprising 90,000,000 Shares. Upon the allotment and issue of the Placement Shares, the resultant issued and paid-up share capital of our Company will be increased to S\$14.59 million comprising 106,000,000 Shares.

There are no founder, management, deferred or unissued Shares reserved for issuance for any purpose. The Placement Shares shall have the same interest and voting rights as our existing Shares that were issued prior to the Placement.

## SHARE CAPITAL

Save for the Options which may be granted under the Aedge ESOS and the Awards which may be granted under the Aedge PSP, no person has, or has the right to be given, an option to subscribe for or purchase any securities of our Company or our subsidiaries. As at the Latest Practicable Date, no option to subscribe for our Shares has been granted to, or was exercised by, any of our Directors or Executive Officers.

Details of changes in our Company's issued and paid-up capital since our incorporation and the resultant issued and paid-up share capital immediately after the Placement are as follows:

	Number of Shares	Resultant issued and paid-up share capital (S\$)
Issued and paid-up Shares as at the incorporation of our Company	1	1
Issue of new Shares pursuant to the Restructuring Exercise <sup>(1)</sup>	9,999	11,700,926
Sub-Division	90,000,000	11,700,926
Issue of Placement Shares	16,000,000	2,892,000 <sup>(2)</sup>
Post-Placement issued and paid-up share capital	<u>106,000,000</u>	<u>14,592,926<sup>(2)</sup></u>

**Notes:**

- (1) Please refer to the section entitled "Restructuring Exercise" of this Offer Document for further details.
- (2) This is net of the portion of estimated listing expenses of approximately S\$0.31 million incurred by our Company in connection with the Placement that will be capitalised against share capital in accordance with SFRS(I). For more information on the estimated expenses payable by our Company in connection with the Placement, please refer to section entitled "Use of Proceeds from the Placement and Expenses Incurred" of this Offer Document.

The issued and paid-up share capital of our Company as at (a) incorporation; (b) after the Restructuring Exercise and Sub-Division; and (c) immediately after the Placement, are set out below. This should be read in conjunction with the "Independent Accountants' Report and the Audited Combined Financial Statements for the Years Ended 30 June 2018, 2019 and 2020" as set out in Appendix A of this Offer Document:

	As at the date of incorporation	After the Restructuring Exercise and Sub-Division	Immediately after the Placement
Number of issued and paid-up Shares	1	90,000,000	106,000,000
Issued and paid-up capital (S\$)	1	11,700,926	14,592,926 <sup>(1)</sup>
Total shareholders' equity (S\$)	<u>1</u>	<u>11,794,369</u>	<u>14,686,369<sup>(1)</sup></u>

**Note:**

- (1) This is net of the portion of estimated listing expenses of approximately S\$0.31 million incurred by our Company in connection with the Placement that will be capitalised against share capital in accordance with SFRS(I). For more information on the estimated expenses payable by our Company in connection with the Placement, please refer to section entitled "Use of Proceeds from the Placement and Expenses Incurred" of this Offer Document.

## SHAREHOLDERS

The shareholdings of our Directors, Substantial Shareholders and other shareholders immediately before and after the Placement are set out below:

	As at the Latest Practicable Date				Immediately after the Placement			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
<b>Directors</b>								
Mr Poh Soon Keng <sup>(1)(2)(3)(4)</sup>	6,681,820	7.4	67,500,000	75.0	6,681,820	6.3	67,500,000	63.7
Mr Foo Der Rong	–	–	–	–	–	–	–	–
Mr Hoon Tai Meng	–	–	–	–	–	–	–	–
Mr Teo Joo Huak	–	–	–	–	–	–	–	–
Mr Goh Joon Lian	–	–	–	–	–	–	–	–
<b>Substantial Shareholders (other than Directors)</b>								
PTCC <sup>(1)(2)(3)(4)</sup>	67,500,000	75.0	–	–	67,500,000	63.7	–	–
Ms Tan Ah Hwa <sup>(2)(4)</sup>	9,000,000	10.0	–	–	9,000,000	8.5	–	–
Ms Poh Pei Chi <sup>(1)(2)(3)(4)</sup>	–	–	67,500,000	75.0	–	–	67,500,000	63.7
Ms Tan Siew Lan <sup>(1)(2)(3)(4)</sup>	–	–	67,500,000	75.0	–	–	67,500,000	63.7
<b>Other shareholders</b>								
Mr Ng Choon Beng <sup>(5)</sup>	3,409,090	3.8	–	–	3,409,090	3.2	–	–
Mr Tay Choon Wah <sup>(6)</sup>	3,409,090	3.8	–	–	3,409,090	3.2	–	–
<b>Public</b>	–	–	–	–	16,000,000	15.1	–	–
<b>Total</b>	<b>90,000,000</b>	<b>100.0</b>			<b>106,000,000</b>	<b>100.0</b>		

**Notes:**

- (1) PTCC is owned by our Executive Chairman and CEO, Mr Poh Soon Keng (26.7%), our Human Resource and Administration Director, Ms Tan Siew Lan (26.7%), Ms Poh Pei Chi (33.3%) and Mr Poh Cher Ying (13.3%). Ms Poh Pei Chi and Mr Poh Cher Ying are the children of Mr Poh Soon Keng and Ms Tan Siew Lan.
- (2) Mr Poh Soon Keng is deemed interested in our Shares held by PTCC through his 26.7% shareholding in PTCC by virtue of Section 4 of the SFA. Mr Poh Soon Keng is the husband of Ms Tan Siew Lan, brother-in-law of Ms Tan Ah Hwa, and father of Ms Poh Pei Chi and Mr Poh Cher Ying.
- (3) Ms Poh Pei Chi is deemed interested in our Shares held by PTCC through her 33.3% shareholding in PTCC by virtue of Section 4 of the SFA. Ms Poh Pei Chi is the daughter of Mr Poh Soon Keng and Ms Tan Siew Lan.
- (4) Ms Tan Siew Lan is deemed interested in our Shares held by PTCC through her 26.7% shareholding in PTCC by virtue of Section 4 of the SFA. Ms Tan Siew Lan is the wife of Mr Poh Soon Keng, the mother of Ms Poh Pei Chi and Mr Poh Cher Ying and is the sister of our Operations Director (Transport), Ms Tan Ah Hwa.
- (5) Mr Ng Choon Beng is our Chief Operating Officer (Engineering).
- (6) Mr Tay Choon Wah is an employee of our Group. He is unrelated to any of our Directors and/or Substantial Shareholders.

Save as disclosed above and the section entitled “Directors, Executive Officers and Employees” of this Offer Document, there are no other relationships between our Directors, Executive Officers and Substantial Shareholders.

The Shares held by our Directors, Executive Officers and Substantial Shareholders do not carry different voting rights from the Placement Shares which are the subject of the Placement.

To the best of the knowledge of our Directors, save as disclosed above, our Company is not, directly or indirectly, owned or controlled, whether severally or jointly, by any other corporation, any government or other natural or legal person.

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## SHAREHOLDERS

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Our Directors are not aware of any arrangement the operation of which may, at a subsequent date, result in a change in control of our Company.

There has not been any public take-over by a third party in respect of our Shares or by our Company in respect of shares of another corporation or units of a business trust which has occurred between the date of incorporation of our Company to the Latest Practicable Date.

### SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

Save as disclosed above and under the sections entitled “Share Capital” and “Restructuring Exercise” of this Offer Document, there has been no significant changes in the percentage of ownership of our Shares from the incorporation of our Company until the Latest Practicable Date.

### MORATORIUM

To demonstrate their commitment to our Group, each of PTCC and Mr Poh Soon Keng have undertaken to our Company and the Sponsor, Issue Manager and Placement Agent that, *inter alia*, they will not directly or indirectly, sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase or right to acquire, grant any security over, encumber or otherwise dispose of, any part of their interests in the share capital of our Company immediately after the Placement (adjusted for any bonus issue or sub-division of Shares), determined immediately after the Placement, for a period of three (3) years from the date of admission of our Company to Catalyst.

Further, each of Ms Tan Ah Hwa, Mr Ng Choon Beng and Mr Tay Choon Wah have voluntarily undertaken to our Company and the Sponsor, Issue Manager and Placement Agent that, *inter alia*, they will not directly or indirectly, sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase or right to acquire, grant any security over, encumber or otherwise dispose of, any part of their interests in the share capital of our Company immediately after the Placement (adjusted for any bonus issue or sub-division of Shares), determined immediately after the Placement, for a period of six (6) months from the date of admission of our Company to Catalyst, and for a period of six (6) months thereafter, not to, directly or indirectly, sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase or right to acquire, grant any security over, encumber or otherwise dispose of, more than 50.0% of their original shareholdings (adjusted for any bonus issue or sub-division of Shares) in our Company.

The shareholders of PTCC, namely Mr Poh Soon Keng, Ms Tan Siew Lan, Ms Poh Pei Chi and Mr Poh Cher Ying, have each undertaken to our Company and the Sponsor, Issue Manager and Placement Agent that:

- (a) they will not directly or indirectly, sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase or right to acquire, grant any security over, encumber or otherwise dispose of, any part of their interests in the share capital of PTCC, for a period of three (3) years from the date of admission of our Company to Catalyst; and
- (b) they will jointly and severally procure PTCC not to directly or indirectly, sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase or right to acquire, grant any security over, encumber or otherwise dispose of, any part of its interests in the share capital of our Company immediately after the Placement (adjusted for any bonus issue or sub-division of Shares), determined immediately after the Placement, for a period of three (3) years from the date of admission of our Company to Catalyst.

## DILUTION

Dilution is the amount by which the Placement Price to be paid by subscribers for the Placement Shares (“**New Investors**”) exceeds the NAV per Share immediately after the Placement. Our NAV per Share as at 30 June 2020 before adjusting for the estimated net proceeds from the Placement and based on the pre-Placement share capital of 90,000,000 Shares, was 16.38 cents.

Pursuant to the Placement in respect of 16,000,000 Placement Shares at the Placement Price, our NAV per Share after adjusting for the estimated net proceeds from the Placement and based on our post-Placement share capital of 106,000,000 Shares, would have been 15.49 cents. This represents an immediate decrease in NAV per Share of 0.89 cents to our existing Shareholders and an immediate dilution in NAV per Share of 4.51 cents to the New Investors.

The following table illustrates the dilution on a per Share basis:

	Cents
Placement Price	20.00
NAV per Share as at 30 June 2020 before adjusting for the net proceeds from the Placement based on the pre-Placement share capital of 90,000,000 Shares	16.38
Decrease in NAV per Share attributable to existing Shareholders	0.89
NAV per Share after the Placement <sup>(1)</sup>	15.49
Dilution in NAV per Share to the New Investors	4.51
Dilution in NAV per Share to the New Investors as a percentage of the Placement Price	22.5%

**Note:**

- (1) This does not take into account our actual financial performance from 1 July 2020 up to the Latest Practicable Date. Depending on our actual financial results, our NAV per Share after the Placement may be higher or lower than the above computed NAV per Share.

The following table summarises the total number of Shares acquired by our existing Shareholders since the date of our incorporation (after adjusting for the Restructuring Exercise and Sub-Division), the total consideration paid by them and the average effective cash cost to them and the New Investors pursuant to the Placement:

	Number of Shares acquired	Total consideration (\$)	Average effective cost per Share (cents)
<b>Directors</b>			
Mr Poh Soon Keng	6,681,820	868,705	13.00
Mr Foo Der Rong	–	–	–
Mr Hoon Tai Meng	–	–	–
Mr Teo Joo Huak	–	–	–
Mr Goh Joon Lian	–	–	–
<b>Substantial Shareholders (other than Directors)</b>			
PTCC	67,500,000	8,775,694	13.00
Ms Tan Ah Hwa	9,000,000	1,170,093	13.00
<b>Other Shareholders</b>			
Mr Ng Choon Beng <sup>(1)</sup>	3,409,090	443,217	13.00
Mr Tay Choon Wah <sup>(1)</sup>	3,409,090	443,217	13.00
New Investors	16,000,000	3,200,000	0.20

**Note:**

- (1) As disclosed in the section entitled “Restructuring Exercise” of this Offer Document, Mr Ng Choon Beng and Mr Tay Choon Wah acquired their Shares by way of a gift from our Executive Chairman and CEO, Mr Poh Soon Keng.

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## DILUTION

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Save as disclosed above and in the sections entitled “Restructuring Exercise” and “General and Statutory Information – Share Capital” of this Offer Document, none of our Directors, Substantial Shareholders or their respective Associates has acquired any Shares during the period of three (3) years prior to the date of this Offer Document.

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## RESTRUCTURING EXERCISE

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In connection with the Placement, we undertook the following Restructuring Exercise to rationalise and streamline our Group's corporate structure:

### 1. Incorporation of PTCC

PTCC was incorporated on 3 October 2019 in Singapore under the Companies Act as a private company limited by shares. At incorporation, PTCC had an issued and paid-up share capital of S\$4.00 comprising four (4) shares, with each of our Executive Chairman and CEO, Mr Poh Soon Keng, our Human Resource and Administration Director, Ms Tan Siew Lan, Ms Poh Pei Chi and Mr Poh Cher Ying holding one (1) share each.

### 2. Incorporation of our Company

Our Company was incorporated on 3 October 2019 in Singapore under the Companies Act as a private company limited by shares. At incorporation, our Company had an issued and paid-up share capital of S\$1.00 comprising one (1) Share, which was held by PTCC.

### 3. Acquisition of assets from Kaoson

On 30 April 2019, Aedge Holdings and Aedge Technologies acquired the assets (including equipment and machinery, vehicles and other miscellaneous assets) of Kaoson ("**Kaoson Assets**") pursuant to a settlement agreement dated 31 December 2018. The consideration of S\$1,239,710 ("**Kaoson Consideration**") was based on the book value at cost less accumulated depreciation of the Kaoson Assets standing in Kaoson's balance sheet as at 31 December 2018. A breakdown of the Kaoson Assets and the Kaoson Consideration attributable to the Kaoson Assets is set out in the table below:

<b>Kaoson Assets</b>	<b>Amount (S\$)</b>
Fixture and fittings	1,869
Office equipment, renovations and security system (including computer software)	37,229
General tools and equipment	21,256
Scaffold equipment	725,643
Insulation equipment	100,386
Motor vehicles	353,327
<b>Total</b>	<b>1,239,710</b>

The Kaoson Consideration was satisfied in full by setting off the Kaoson Consideration amount payable by our Group to Kaoson against amounts due and owing by Kaoson to Aedge Technologies and Aedge Holdings arising from our Group's transactions with Kaoson, amounting to an aggregate of S\$1,465,736 over the course of several years ("**Outstanding Kaoson Debt**"). Details of the transactions between our Group and Kaoson and the amounts payable by Kaoson to our Group during the Period Under Review are set out in the section entitled "Interested Person Transactions – Past Interested Person Transactions – Transactions with Kaoson" of this Offer Document. Accordingly, the Outstanding Kaoson Debt owing to each of Aedge Technologies and Aedge Holdings was reduced by S\$381,315 and S\$858,395 respectively. The remaining Outstanding Kaoson Debt of S\$226,026 was settled in cash by Kaoson to Aedge Technologies. Aedge Holdings nominated Aedge Technologies as the transferee of the Kaoson Assets.

## RESTRUCTURING EXERCISE

### 4. Acquisition of SAE Resources

On 1 July 2018, Aedge Technologies acquired 100.0% of the issued and paid-up share capital in SAE Resources pursuant to a sale and purchase agreement dated 1 July 2018, for a consideration of S\$167,427 (equivalent to SAE Resources' unaudited NAV as at 30 June 2018) which has been fully satisfied in cash as follows:

Vendor	% acquired
Mr Poh Soon Keng, our Executive Chairman and CEO	30.0
Mr Ng Choon Beng, our Chief Operating Officer (Engineering)	40.0 <sup>(1)</sup>
Mr Tay Choon Wah	30.0

**Note:**

- (1) 10.0% of Mr Ng Choon Beng's 40.0% shareholdings was held in trust for Mr Ng Choon Beng by an independent third party, Mr Tan Jin Wen.

### 5. Acquisition of Aedge Resources

On 30 June 2019, Aedge Services acquired 100.0% of the issued and paid-up share capital in Aedge Resources pursuant to a sale and purchase agreement dated 30 June 2019, for a nominal consideration of S\$5.00 which has been fully satisfied in cash as follows:

Vendor	% acquired
Mr Poh Soon Keng, our Executive Chairman and CEO <sup>(1)(2)(3)</sup>	35.0
Ms Tan Siew Lan, our Human Resource and Administration Director <sup>(1)(2)(3)(4)</sup>	20.0
Ms Poh Pei Chi <sup>(1)(2)</sup>	25.0
Mr Poh Cher Ying <sup>(1)(3)</sup>	10.0
Ms Tan Ah Hwa, our Operations Director (Transport) <sup>(1)(4)</sup>	10.0

**Notes:**

- (1) Ms Tan Siew Lan is the wife of Mr Poh Soon Keng, sister of Ms Tan Ah Hwa, and mother of Ms Poh Pei Chi and Mr Poh Cher Ying.
- (2) Ms Poh Pei Chi is the daughter of Mr Poh Soon Keng and Ms Tan Siew Lan.
- (3) Mr Poh Cher Ying is the son of Mr Poh Soon Keng and Ms Tan Siew Lan.
- (4) Ms Tan Ah Hwa is the sister of Ms Tan Siew Lan.

### 6. Acquisition of Aedge Holdings

On 24 March 2020, our Company acquired 100.0% of the issued and paid-up share capital in Aedge Holdings pursuant to a sale and purchase agreement dated 24 March 2020, for a consideration of S\$11,700,925 (equivalent to Aedge Holding's audited NAV as at 30 June 2019) as follows:

Vendor	% acquired
Mr Poh Soon Keng, our Executive Chairman and CEO	35.0
Ms Tan Siew Lan our Human Resource and Administration Director	20.0
Ms Poh Pei Chi	25.0
Mr Poh Cher Ying	10.0
Ms Tan Ah Hwa, our Operations Director (Transport)	10.0

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## RESTRUCTURING EXERCISE

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The consideration was satisfied by the allotment and issue of 9,999 Shares by our Company as follows:

<b>Vendor</b>	<b>Number of Shares (%)</b>
Mr Poh Soon Keng, our Executive Chairman and CEO	1,500 (15.0%)
PTCC, as nominated by Mr Poh Soon Keng, Ms Tan Siew Lan, Ms Poh Pei Chi and Mr Poh Cher Ying	7,499 (75.0%)
Ms Tan Ah Hwa, our Operations Director (Transport)	1,000 (10.0%)

In consideration of and concurrently with each of Mr Poh Soon Keng, Ms Tan Siew Lan, Ms Poh Pei Chi and Mr Poh Cher Ying nominating PTCC as its nominee to receive the Shares in consideration for the sale of Aedge Holdings, PTCC issued new shares to each of them resulting in the following shareholding proportion in PTCC:

<b>Shareholder</b>	<b>%</b>
Mr Poh Soon Keng, our Executive Chairman and CEO	26.7
Ms Tan Siew Lan, our Human Resource and Administration Director	26.7
Ms Poh Pei Chi	33.3
Mr Poh Cher Ying	13.3

### 7. Sub-division of Shares

On 24 March 2020, our Company undertook a sub-division of one (1) Share into 9,000 Shares. Following the Sub-Division, 10,000 Shares were sub-divided into 90,000,000 Shares and our issued and paid-up share capital remained at approximately S\$11.70 million.

### 8. Acquisition of Aedge Services

On 24 March 2020, our Company acquired 100.0% of the issued and paid-up share capital in Aedge Services from Aedge Holdings pursuant to a sale and purchase agreement dated 24 March 2020, for a nominal consideration of S\$1.00. The consideration was satisfied in cash.

### 9. Acquisition of Aedge Technologies

On 24 March 2020, our Company acquired 100.0% of the issued and paid-up share capital in Aedge Technologies from Aedge Holdings pursuant to a sale and purchase agreement dated 24 March 2020, for a nominal consideration of S\$1.00. The consideration was satisfied in cash.

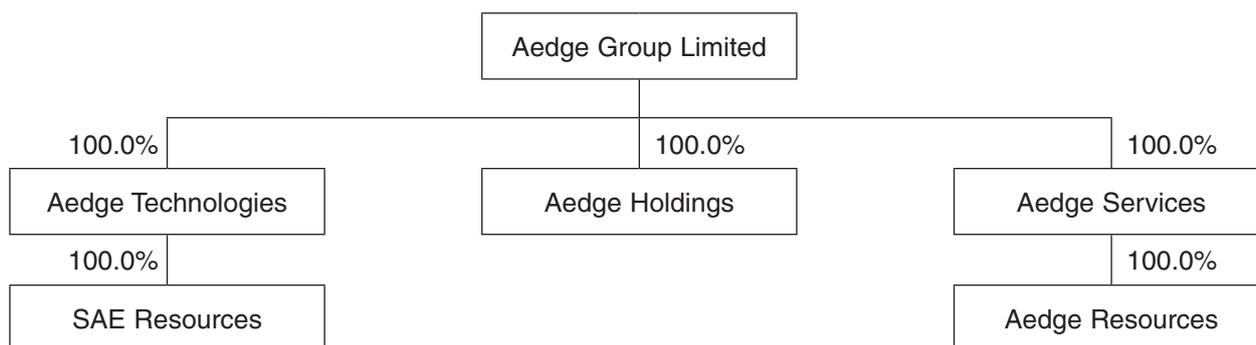
### 10. Gift of Shares by Mr Poh Soon Keng to Mr Tay Choon Wah and Mr Ng Choon Beng

On 24 March 2020, in appreciation of their past services, our Executive Chairman and CEO, Mr Poh Soon Keng, transferred:

- (i) 3,409,090 Shares to our Chief Operating Officer (Engineering), Mr Ng Choon Beng; and
- (ii) 3,409,090 Shares to Mr Tay Choon Wah, an employee of our Group.

## GROUP STRUCTURE

Our structure of our Group as at the date of this Offer Document is as follows:



The details of our subsidiaries as at the date of this Offer Document are as follows:

<b>Subsidiary</b>	<b>Date/Country of incorporation</b>	<b>Principal place of business</b>	<b>Principal activities</b>	<b>Issued and paid-up share capital</b>	<b>Effective equity interest held by our Group</b>
Aedge Holdings	7 July 2005/ Singapore	Singapore	Provision of transport and cleaning services	S\$3,000,000	100.0%
Aedge Technologies	28 March 2000/ Singapore	Singapore	Provision of engineering services	S\$1,000,000	100.0%
Aedge Services	5 February 2004/ Singapore	Singapore	Provision of security and manpower services	S\$1,500,000	100.0%
Aedge Resources	16 January 2012/ Singapore	Singapore	Provision of manpower services	S\$200,000	100.0%
SAE Resources	21 February 2012/ Singapore	Singapore	Provision of engineering services	S\$100,000	100.0%

## SUMMARY OF FINANCIAL INFORMATION

*The following selected financial information should be read in conjunction with the full text of the Offer Document, including the “Independent Accountants’ Report and the Audited Combined Financial Statements for the Years Ended 30 June 2018, 2019 and 2020” as set out in Appendix A of this Offer Document, and the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” and the related notes elsewhere in this Offer Document.*

A summary of the audited combined financial statements of our Group in respect of FY2018, FY2019 and FY2020 is set out below:

### RESULTS OF OPERATIONS OF OUR GROUP

S\$'000	FY2018	FY2019	FY2020
<b>Revenue</b>	19,907	24,540	23,685
Cost of sales	(16,823)	(20,567)	(21,101)
<b>Gross profit</b>	<b>3,084</b>	<b>3,973</b>	<b>2,584</b>
Other income	806	527	2,119
Distribution costs	(85)	(116)	(99)
Administrative expenses	(2,963)	(2,467)	(3,130)
Other expenses	(112)	(164)	(800)
<b>Results from operating activities</b>	<b>730</b>	<b>1,753</b>	<b>674</b>
Finance income	35	20	4
Finance costs	(200)	(170)	(132)
<b>Net finance costs</b>	<b>(165)</b>	<b>(150)</b>	<b>(128)</b>
<b>Profit before tax</b>	<b>565</b>	<b>1,603</b>	<b>546</b>
Tax expense	(99)	(352)	(124)
<b>Profit for the year and total comprehensive income for the year</b>	<b>466</b>	<b>1,251</b>	<b>422</b>
EPS (based on pre-Placement share capital) <sup>(1)</sup> (cents)	0.52	1.39	0.47
EPS (based on post-Placement share capital) <sup>(2)</sup> (cents)	0.44	1.18	0.40

#### Notes:

- (1) For illustrative purposes, EPS (based on the pre-Placement share capital) for the Period Under Review is computed based on the profit for the year and total comprehensive income for the year and the pre-Placement share capital of 90,000,000 Shares.
- (2) For illustrative purposes, EPS (based on the post-Placement share capital) for the Period Under Review is computed based on the profit for the year and total comprehensive income for the year and the post-Placement share capital of 106,000,000 Shares.

## SUMMARY OF FINANCIAL INFORMATION

### FINANCIAL POSITION OF OUR GROUP

S\$'000	As at 30 June 2020
<b>Assets</b>	
Property, plant and equipment	11,540
Intangible assets	19
Fixed deposits	258
<b>Non-current assets</b>	<b>11,817</b>
Inventories	234
Trade and other receivables	8,298
Contract assets	479
Cash and cash equivalents	5,516
<b>Current assets</b>	<b>14,527</b>
<b>Total assets</b>	<b>26,344</b>
<b>Equity</b>	
Share capital	11,701
Reserves	3,045
<b>Total equity</b>	<b>14,746</b>
<b>Liabilities</b>	
Lease liabilities	1,183
Deferred tax liabilities	734
Provision	29
<b>Non-current liabilities</b>	<b>1,946</b>
Trade and other payables	4,648
Lease liabilities	1,421
Loans and borrowings	3,567
Current tax liabilities	16
<b>Current liabilities</b>	<b>9,652</b>
<b>Total liabilities</b>	<b>11,598</b>
<b>Total equity and liabilities</b>	<b>26,344</b>
NAV per Share <sup>(1)</sup> (cents)	16.38
Adjusted NAV per Share <sup>(2)</sup> (cents)	15.49

**Notes:**

- (1) For illustrative purposes, the NAV per Share has been computed based on the total equity of our Company and the pre-Placement share capital of 90,000,000 Shares.
- (2) For illustrative purposes, the adjusted NAV per Share has been computed based on the total equity of our Company and the post-Placement share capital of 106,000,000 Shares, after adjusting for the estimated net proceeds from the issue of the Placement Shares.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

*The following discussion of our results of operations and financial position has been prepared by our management and should be read in conjunction with the "Independent Accountants' Report and the Audited Combined Financial Statements for the Years Ended 30 June 2018, 2019 and 2020" as set out in Appendix A of this Offer Document.*

*This discussion and analysis contains forward-looking statements which involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements. Factors that might cause our actual future results to differ from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Offer Document, particularly in the section entitled "Risk Factors" of this Offer Document.*

### OVERVIEW

Our Group is a Singapore-based multi-services provider. We provide three (3) principal services, namely engineering services, transport services, security and manpower services.

Please refer to the section entitled "General Information on our Group – Business Overview" of this Offer Document for more details on our Group.

### Revenue

Our revenue is derived from our three (3) business segments, namely:

(a) Engineering services

Our Group provides (i) scaffolding services, including supply of scaffold workers, and design and installation of scaffolding systems; (ii) insulation and passive fire protection services; (iii) design and installation of HVAC and refrigeration systems; and (iv) electrical engineering services. Ancillary to the supply of scaffold workers, we also provide skilled and semi-skilled general workers to our customers.

(b) Transport services

Our Group provides premium bus services, school bus services, private bus charter services, and ad-hoc bus services during the Period Under Review. Prior to 2018, our Group also provided city direct bus services. However, in 2018, the LTA ceased some of the routes under the city direct scheme and the city direct services operated by us were ceased in December 2018. We continue to be invited by the LTA to participate in their tenders for bus services as and when available.

(c) Security and manpower services

Our Group provides (i) security services, including security guarding services and security systems integration; (ii) cleaning services; and (iii) manpower services, including manpower staffing, recruitment and placement services.

Our revenue amounted to approximately S\$19.91 million, S\$24.54 million and S\$23.69 million in FY2018, FY2019 and FY2020 respectively.

Our revenue for the last three (3) financial years by business segments are as follows:

	FY2018		FY2019		FY2020	
	S\$'000	%	S\$'000	%	S\$'000	%
Engineering services	3,044	15.3	5,042	20.5	5,906	24.9
Transport services	7,750	38.9	7,490	30.5	6,018	25.4
Security and manpower services	9,113	45.8	12,008	49.0	11,761	49.7
<b>Total</b>	<b>19,907</b>	<b>100.0</b>	<b>24,540</b>	<b>100.0</b>	<b>23,685</b>	<b>100.0</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

No geographical information is presented herein as our Group's operations are only in Singapore.

Our revenue may be affected by, among others, the following factors:

- (a) Our ability to retain existing customers and secure new customers;
- (b) Our ability to cross-sell our Group's different services to existing customers and secure new customers with our multiple service offerings;
- (c) Our ability to continue to provide quality services to our customers;
- (d) Our ability to maintain good safety records;
- (e) Our ability to meet our customers' requirements and maintain good working relationships with our customers;
- (f) Our ability to recruit manpower to provide our services to our customers; and
- (g) Changes in the laws, regulations and government policies which may affect the demand and supply of labour.

Please refer to the section entitled "Risk Factors" of this Offer Document for other factors which may affect our revenue and financial performance.

### Cost of sales

Our cost of sales comprises depreciation of property, plant and equipment, direct costs for transport services, employee benefits expense, repair and maintenance, subcontractor cost and others.

A breakdown of our cost of sales, by the three (3) business segments, is as follows:

	FY2018		FY2019		FY2020	
	S\$'000	%	S\$'000	%	S\$'000	%
Engineering services	2,461	14.6	3,273	15.9	4,725	22.4
Transport services	5,725	34.0	6,518	31.7	5,866	27.8
Security and manpower services	8,637	51.4	10,776	52.4	10,510	49.8
<b>Total</b>	<b>16,823</b>	<b>100.0</b>	<b>20,567</b>	<b>100.0</b>	<b>21,101</b>	<b>100.0</b>

The major components of the costs of sales for each business segment are as follows:

- (a) Engineering services: comprise mainly staff costs, cost of materials, and depreciation of property, plant and equipment;
- (b) Transport services: comprise mainly drivers' remuneration, depreciation of buses, operating and maintenance costs of buses; and
- (c) Security and manpower services: comprise mainly staff costs.

Our cost of sales is dependent on the following:

- (a) Our ability to achieve economies of scale to share key resources across a single platform;
- (b) Labour shortages resulting in increase in labour costs;

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (c) Supply of foreign labour which may be affected by the laws, regulations and policies in the countries from which the foreign labour originates;
- (d) Changes in licencing requirements and/or costs for operation of bus routes;
- (e) Changes in government regulations and requirements pertaining to employment of foreign labour for the engineering services as well as security and manpower services business segments;
- (f) Changes in subcontractor costs, and our ability to source for efficient subcontractors; and
- (g) Changes in costs of our supplies and our ability to source for reliable and competitive suppliers.

Please refer to the section entitled "Risk Factors" of this Offer Document for other factors which may affect our cost of sales and financial performance.

### Gross profit

Gross profit is determined after deducting the cost of sales from our revenue. Our gross profit amounted to approximately S\$3.08 million, S\$3.97 million and S\$2.58 million representing 15.5%, 16.2% and 10.9% of total revenue for FY2018, FY2019 and FY2020 respectively.

The gross profit margin for the last three (3) financial years by business segments are as follows:

	FY2018	FY2019	FY2020
	%	%	%
Engineering services	19.2	35.1	20.0
Transport services	26.1	13.0	2.5
Security and manpower services	5.2	10.3	10.6
<b>Total</b>	<b>15.5</b>	<b>16.2</b>	<b>10.9</b>

### Other income

Other income comprises mainly government grants such as Wage Credit Scheme, small and medium-sized companies cash grants, Productivity and Innovation Credit, SkillsFuture Singapore funding, Special Employment Credit, Career Support Programme, and the Jobs Support Scheme. Other income also includes service fees and project management fees charged to affiliated corporations and various sundry income. Other income amounted to S\$0.81 million, S\$0.53 million and S\$2.12 million for FY2018, FY2019 and FY2020 respectively.

### Distribution costs

Our distribution costs comprise advertising and promotion expenses as well as related travelling and transport expenses. Distribution costs amounted to S\$0.08 million, S\$0.12 million and S\$0.10 million for FY2018, FY2019 and FY2020 respectively.

### Administrative expenses

Administrative expenses comprise employee benefits expenses and other administrative expenses. Employee benefits expenses consist of salaries, bonuses and other costs (including directors' remuneration) and contributions to defined contribution plans. Other administrative expenses comprise operating lease expenses, professional fees, overseas travelling, utilities, and office expenses.

Administrative expenses amounted to S\$2.96 million, S\$2.47 million and S\$3.13 million, representing 14.9%, 10.0% and 13.2% of our total revenue for FY2018, FY2019 and FY2020 respectively.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### Other expenses

Other expenses comprise mainly depreciation expenses of property, plant and equipment, impairment loss on goodwill, impairment losses on trade receivables and loss on disposal/write-off of property, plant and equipment. Loss on disposal was due to trade-in of older vehicles for fleet renewal and write-off was due to furniture and fitting, office equipment, computer hardware and software that had become obsolete. Other expenses amounted to S\$0.11 million, S\$0.16 million and S\$0.80 million, representing 0.6%, 0.7% and 3.4% of our total revenue for FY2018, FY2019 and FY2020 respectively. Impairment losses on trade receivables amounted to S\$37,815, S\$631 and S\$306,136 for FY2018, FY2019 and FY2020 respectively.

### Finance income and finance costs

Finance income comprises interest earned on fixed deposits and amounted to S\$35,257, S\$20,388 and S\$3,699 for FY2018, FY2019 and FY2020 respectively.

Finance costs relate mainly to interest expenses on hire purchase of buses and bank borrowings as well as net foreign exchange loss and amounted to S\$0.20 million, S\$0.17 million and S\$0.13 million in FY2018, FY2019 and FY2020 respectively.

Net finance costs amounted to S\$0.16 million, S\$0.15 million and S\$0.13 million, representing 0.8%, 0.6% and 0.5% of our total revenue for FY2018, FY2019 and FY2020 respectively.

### Tax expense

Tax expense includes both current income tax and deferred income tax. The tax rates used to calculate the taxes are based on Singapore's statutory corporate tax rate of 17.0% for the Period Under Review. Our total tax expense amounted to approximately S\$0.10 million, S\$0.35 million and S\$0.12 million in FY2018, FY2019 and FY2020 respectively.

Our overall effective tax rates were 17.5%, 22.0% and 22.8% for FY2018, FY2019 and FY2020 respectively.

## REVIEW OF OPERATING RESULTS

### FY2019 vs FY2018

#### Revenue

Total revenue increased by S\$4.63 million or 23.3% from S\$19.91 million in FY2018 to S\$24.54 million in FY2019.

The increase was mainly due to an increase in revenue from our engineering services and our security and manpower services, offset by a decrease in our transport services revenue.

Revenue from engineering services increased by S\$2.0 million or 65.6% from S\$3.04 million in FY2018 to S\$5.04 million in FY2019, as the Group secured more projects relating to design and installation of scaffolding systems in FY2019.

Revenue from security and manpower services increased by S\$2.9 million or 31.8% from S\$9.11 million in FY2018 to S\$12.01 million in FY2019, mainly due to an increase in the number of man-hours of our technicians supplied to our customers in the aviation industry in FY2019, as well as an increase in the monthly rates for security contracts secured in FY2019.

Revenue from our transport services decreased slightly by S\$0.26 million or 3.4% from S\$7.75 million in FY2018 to S\$7.49 million in FY2019. This was mainly due to the cessation, in December 2018, of our city direct bus services contracted with the LTA.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### Cost of sales

Cost of sales increased by S\$3.75 million or 22.3% from S\$16.82 million in FY2018 to S\$20.57 million in FY2019.

The increase was mainly due to increases in cost of sales for engineering services, transport services and security and manpower services.

Engineering services cost of sales increased by S\$0.81 million or 32.9% from S\$2.46 million in FY2018 to S\$3.27 million in FY2019. This was due to increase in material and labour costs as there were more projects undertaken during FY2019.

Transport services cost of sales increased by S\$0.79 million or 13.8%, from S\$5.73 million in FY2018 to S\$6.52 million in FY2019. This was mainly due to full year depreciation charges of additional motor vehicles purchased in FY2018.

Security and manpower services cost of sales increased by S\$2.14 million or 24.8% from S\$8.64 million in FY2018 to S\$10.78 million in FY2019. This was due to increase in staff costs as there were more contracts in FY2019.

### Gross profit

Gross profit increased by S\$0.89 million or 28.9% from S\$3.08 million in FY2018 to S\$3.97 million in FY2019.

This was mainly due to higher contribution from engineering services, and security and manpower services.

### Gross profit margin

Gross profit margin increased from 15.5% in FY2018 to 16.2% in FY2019. The increase was due to increased gross profit margins from engineering services from 19.2% in FY2018 to 35.1% in FY2019 and in security and manpower services from 5.2% in FY2018 to 10.3% in FY2019. This was partially offset by lower gross profit margin from transport services which decreased from 26.1% in FY2018 to 13.0% in FY2019. Higher gross profit margin for engineering services was due to more higher value contracts secured in FY2019. Higher gross profit margin for security and manpower services was due to higher unit revenue rates achieved for contracts, whereas unit costs rates only increased marginally in FY2019. Lower gross profit margin for transport services for FY2019 was mainly due to full year depreciation charges in FY2019 for additional motor vehicles purchased.

### Other income

Other income decreased by S\$0.28 million or 34.6% from S\$0.81 million in FY2018 to S\$0.53 million in FY2019, mainly due to lower service fee and management fees charged to affiliated corporations, offset by higher government grants.

### Distribution costs

Distribution costs increased by S\$0.04 million or 50.0% from S\$0.08 million in FY2018 to S\$0.12 million in FY2019, mainly due to increase in advertising and promotion costs.

### Administrative expenses

Administrative expenses decreased by S\$0.49 million or 16.6% from S\$2.96 million in FY2018 to S\$2.47 million in FY2019. This was mainly due to lower employee benefits expenses as a result of staff turnover.

### Other expenses

Other expenses increased by S\$0.05 million or 45.5% from S\$0.11 million in FY2018 to S\$0.16 million in FY2019. This was mainly due to higher loss on disposal of plant and equipment amounting to approximately S\$61,000 in FY2019 as opposed to approximately S\$8,000 in FY2018.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### Finance income and costs

Finance income decreased by approximately S\$15,000 or 42.9% from S\$35,257 in FY2018 to approximately S\$20,388 in FY2019, due to lower fixed deposits.

Finance costs decreased slightly by S\$0.03 million or 14.6% from S\$0.20 million in FY2018 to S\$0.17 million in FY2019.

### Profit before tax

Profit before tax increased by S\$1.03 million or 180.7% from S\$0.57 million in FY2018 to S\$1.60 million in FY2019.

This was mainly due to higher revenue and gross profit in FY2019 as compared to FY2018.

### Tax expense

Tax expense increased by S\$0.25 million or 250% from S\$0.1 million in FY2018 to S\$0.35 million in FY2019. The statutory tax rate was 17.0% in FY2018 and FY2019. In FY2018, our Group's effective tax rate of 17.5% was marginally higher than the statutory tax rate due to deferred tax asset not recognised, offset by tax-exempt income and overprovision in prior year. In FY2019, our Group's effective tax rate was 22.0% and higher than the statutory tax rate mainly due to deferred tax asset not recognised and underprovision in prior year, offset by tax-exempt income.

### FY2020 vs FY2019

#### Revenue

Total revenue decreased by S\$0.85 million or 3.5% from S\$24.54 million in FY2019 to S\$23.69 million in FY2020.

The decrease was mainly due to the decrease in revenue from our transport services and our security and manpower services, offset by an increase in our engineering services.

Revenue from engineering services increased by S\$0.87 million or 17.3% from S\$5.04 million in FY2019 to S\$5.91 million in FY2020, as the Group secured more projects relating to design and installation of scaffolding systems in FY2020.

Revenue from security and manpower services decreased by S\$0.25 million or 2.1% from S\$12.01 million in FY2019 to S\$11.76 million in FY2020. The decrease was due to lower revenue from security contracts and cleaning contracts due to the COVID-19 situation.

Revenue from transport services decreased by S\$1.47 million or 19.6% from S\$7.49 million in FY2019 to S\$6.02 million in FY2020. The decrease was mainly due to the COVID-19 situation, which resulted in the lower utilisation of buses and cancellation of certain ad-hoc contracts by customers who had contracted with us for specific purposes but no longer had demand for the buses. Examples of such ad-hoc contracts that were affected include contracts with schools to provide transport services for extra-curricular activities or excursions, which were cancelled as a result of COVID-19.

#### Cost of sales

Cost of sales increased by S\$0.53 million or 2.6% from S\$20.57 million in FY2019 to S\$21.10 million in FY2020.

The increase was mainly due to increase in cost of sales for engineering services, offset by decreases in costs of sales for transport services and security and manpower services.

Engineering services cost of sales increased by S\$1.46 million or 44.6% from S\$3.27 million in FY2019 to S\$4.73 million in FY2020. This was due to an increase in material and labour costs as there were more projects undertaken in FY2020.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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Transport services cost of sales decreased by S\$0.65 million or 10.0%, from S\$6.52 million in FY2019 to S\$5.87 million in FY2020. This was mainly due to lower operating and manpower costs as a result of lower utilisation of buses in FY2020.

Security and manpower services cost of sales decreased by S\$0.27 million or 2.5% from S\$10.78 million in FY2019 to S\$10.51 million in FY2020. This was due to a decrease in staff costs which corresponded to a decrease in the number contracts and revenue in FY2020.

### **Gross profit**

Gross profit decreased by S\$1.39 million or 35.0% from S\$3.97 million in FY2019 to S\$2.58 million in FY2020.

This was mainly due to lower contribution from all three (3) business segments.

### **Gross profit margin**

Gross profit margin decreased from 16.2% in FY2019 to 10.9% in FY2020, primarily due to a decrease in gross profit margins of engineering services and transport services. Gross profit margin of engineering services decreased from 35.1% in FY2019 to 20.0% in FY2020 due to a greater number of lower-value contracts secured in FY2020 as compared to FY2019. Gross profit margin of transport services decreased from 13.0% in FY2019 to 2.5% in FY2020 due to a decrease in revenue but an increase in fixed costs such as depreciation and maintenance.

### **Other income**

Other income increased by S\$1.59 million or 300.0% from S\$0.53 million in FY2019 to S\$2.12 million in FY2020. This was due to government payouts from the Jobs Support Scheme.

### **Distribution costs**

Distribution costs decreased marginally by S\$0.02 million from S\$0.12 million in FY2019 to S\$0.10 million in FY2020, mainly due to decrease in advertising and promotion costs.

### **Administrative expenses**

Administrative expenses increased by S\$0.66 million or 26.7% from S\$2.47 million in FY2019 to S\$3.13 million in FY2020. This was mainly due to higher employee benefits expenses.

### **Other expenses**

Other expenses increased by S\$0.64 million or 400.0% from S\$0.16 million in FY2019 to S\$0.80 million in FY2020. This was mainly due to higher depreciation of property, plant and equipment, higher loss on disposal of plant and equipment, and higher impairment losses on trade receivables. Impairment losses on trade receivables amounted to S\$306,136 in FY2020 against S\$631 in FY2019. The increase in impairment losses is primarily due to a full impairment of trade receivables from one of our customers, Hiap Seng Engineering Ltd, which was placed under judicial management in September 2020. Our Group had since ceased all transactions with such customer.

### **Finance income and costs**

Finance income decreased by approximately S\$16,000 from approximately S\$20,000 in FY2019 to approximately S\$4,000 in FY2020, due to lower fixed deposits.

Finance costs decreased by approximately S\$0.04 million or 23.5% from S\$0.17 million in FY2019 to S\$0.13 million in FY2020, due to lower interest on hire purchase loans.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### **Profit before tax**

Profit before tax decreased by S\$1.05 million or 65.6% from S\$1.60 million in FY2019 to S\$0.55 million in FY2020.

This was mainly due to lower revenue and gross profit in FY2020 as compared to FY2019, offset by government grants from the Jobs Support Scheme.

### **Tax expense**

Tax expense decreased by S\$0.23 million or 65.7% from S\$0.35 million in FY2019 to S\$0.12 million in FY2020. The statutory tax rate was 17.0% in FY2019 and FY2020. In FY2020, our Group's effective tax rate was 22.8% and higher than the statutory tax rate mainly due to recognition of deferred tax liabilities.

## **REVIEW OF FINANCIAL POSITION**

### **As at 30 June 2020**

#### **Non-current assets**

As at 30 June 2020 our non-current assets amounted to S\$11.82 million, accounting for 44.9% of our total assets.

Our non-current assets comprise mainly of plant and equipment of S\$11.54 million, accounting for 97.6% of non-current assets, which includes fixtures and fittings, computers, office equipment, motor vehicles, machinery and equipment, scaffold equipment, insulation equipment and renovation. Our fleet of buses and commercial vehicles is the main component of our non-current assets, and the carrying amount was S\$9.35 million.

Fixed deposits pledged amounted to S\$0.26 million, accounting for 2.2% of non-current assets, which comprised fixed deposits pledged to a bank for a banker's guarantee facility.

Intangible asset amounted to S\$0.02 million, arising from customer relationships appraised by an independent qualified valuer in connection with our acquisition of SAE Resources.

#### **Current assets**

As at 30 June 2020, our current assets amounted to S\$14.53 million, accounting for 55.1% of total assets.

Our current assets comprise inventories, contract assets, trade and other receivables, as well as cash and cash equivalents.

Inventories amounted to S\$0.23 million, accounting for 1.6% of current assets. These relate to scaffolding materials purchased and held to fulfil a specific sale order.

Contract assets amounted to S\$0.48 million, accounting for 3.3% of current assets. These are consideration for work completed but not yet billed at the reporting date. The consideration has yet to be billed as services to be rendered under the contract for engineering and transport services are still ongoing and the pre-agreed billing milestone has yet to be attained by us.

Trade and other receivables amounted to S\$8.30 million, accounting for 57.1% of current assets. These are mainly trade receivables from our customers and prepayments (comprising mainly prepayments for secretarial services to the secretarial agent, insurance payments of vehicles to the insurers and professional fees incurred in connection with the Listing).

Cash and cash equivalents amounted to S\$5.52 million, accounting for 38.0% of current assets.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### Non-current liabilities

As at 30 June 2020, our non-current liabilities amounted to S\$1.95 million, accounting for 16.7% of total liabilities.

Our non-current liabilities comprise mainly lease liabilities that are payable in more than one (1) year's time.

Lease liabilities amounted to S\$1.18 million, accounting for 60.8% of non-current liabilities. These are hire purchase instalments payable for purchases of motor vehicles.

Deferred tax liabilities amounted to S\$0.73 million, and accounted for 37.6% of non-current liabilities. Deferred tax liabilities comprise mainly tax effect of differences in book values and tax written down values of plant and equipment

A provision of S\$29,000 was made for restoration costs of premises.

### Current liabilities

As at 30 June 2020, our current liabilities amounted to S\$9.66 million, and accounted for 83.3% of total liabilities.

Our current liabilities comprise trade and other payables, lease liabilities and bank borrowings due within 12 months, and current tax liabilities.

Trade and other payables amounted to S\$4.65 million and accounted for 48.1% of current liabilities. These comprise mainly trade payables due and payable to subcontractors and suppliers and accrued expenses and other payables such as accrued operating expenses and accrued salaries and wages.

Lease liabilities amounted to S\$1.42 million and accounted for 14.7% of current liabilities. These are hire purchase instalments payable for purchases of motor vehicles within 12 months.

Bank borrowings amounted to S\$3.57 million and accounted for 37.0% of current liabilities. These are bank borrowings due within 12 months, and a bank borrowing due after 12 months but subject to a recallable clause at the absolute discretion of the bank.

### Equity

As at 30 June 2020, our total equity amounted to S\$14.75 million. This comprises share capital of S\$11.70 million, and reserves of S\$3.05 million comprising capital reserve, merger reserve and retained earnings.

### LIQUIDITY AND CAPITAL RESOURCES

Our operations have been funded through internal and external sources of funds. Internal sources of funds comprise cash generated from our Group's operating activities. External sources of funds comprise mainly capital investments from shareholders, credit granted by suppliers, and financing from hire purchase agreements. The principal uses of these cash sources are to finance purchases, capital expenditures and operating expenses such as rental, salaries and other administrative expenses as well as dividend payments.

Based on the audited combined statement of financial position as at 30 June 2020, we had cash and cash equivalents of S\$5.52 million, lease liabilities totalling S\$2.60 million for our motor vehicles and bank borrowings of S\$3.57 million. Our working capital (computed based on current assets less current liabilities) as at 30 June 2020 was S\$4.88 million. Our Group had unutilised facilities from DBS Bank Ltd. of S\$1.70 million as at 30 June 2020.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

As at the Latest Practicable Date, our Group had cash and cash equivalents of S\$7.10 million, lease liabilities totalling S\$2.05 million mainly for our motor vehicles and bank borrowings of S\$4.80 million. Our working capital (computed based on current assets less current liabilities) as at 30 September 2020 was S\$6.85 million. Our Group had unutilised facilities from DBS Bank Ltd. of S\$0.2 million as at the Latest Practicable Date. Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for more details.

Our Directors are of the reasonable opinion that, after having made due and careful enquiry and after taking into account the prospects as set out in the section entitled "Prospects, Trends, Business Strategies and Future Plans – Prospects" of this Offer Document, the trend information as set out in the section entitled "Prospects, Trends, Business Strategies and Future Plans – Trend Information" of this Offer Document, the risk factors as set out in the section entitled "Risk Factors" of this Offer Document and in particular, the risk factors entitled "We are exposed to risks in respect of outbreaks of communicable diseases", "We are liable for delays in the completion of projects and are exposed to liquidated damages" and "We are exposed to credit risks of our customers", the net cash flows generated from our operations, our lease commitments, our unutilised bank facilities and our existing cash and cash equivalents, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient to meet our present requirements and for at least 12 months after the listing of our Company on Catalist.

The Sponsor, Issue Manager and Placement Agent is of the reasonable opinion that, after having made due and careful enquiry and after taking into account the prospects as set out in the section entitled "Prospects, Trends, Business Strategies and Future Plans – Prospects" of this Offer Document, the trend information as set out in the section entitled "Prospects, Trends, Business Strategies and Future Plans – Trend Information" of this Offer Document, the risk factors as set out in the section entitled "Risk Factors" of this Offer Document and in particular, the risk factors entitled "We are exposed to risks in respect of outbreaks of communicable diseases", "We are liable for delays in the completion of projects and are exposed to liquidated damages" and "We are exposed to credit risks of our customers", the net cash flows generated from the Group's operations, the Group's lease commitments, the Group's unutilised bank facilities and the Group's existing cash and cash equivalents, the working capital available to the Group as at the date of lodgement of this Offer Document is sufficient to meet the Group's present requirements and for at least 12 months after the listing of our Company on Catalist.

The following table sets out a summary of our Group's cash flow for FY2018, FY2019 and FY2020.

S\$'000	FY2018	FY2019	FY2020
Net cash from operating activities	2,920	3,296	1,377
Net cash used in investing activities	(304)	(1,076)	(563)
Net cash from/(used in) financing activities	(2,990)	(4,729)	982
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(374)</b>	<b>(2,509)</b>	<b>1,796</b>
Cash and cash equivalents at beginning of the year	6,611	6,233	3,720
Effect of exchange rate fluctuations on cash held	(4)	(4)	–
<b>Cash and cash equivalents at end of the year</b>	<b>6,233</b>	<b>3,720</b>	<b>5,516</b>

### FY2018

In FY2018, we recorded a net cash from operating activities of S\$2.92 million which was a result of operating cash flow before working capital changes of S\$2.33 million, adjusted for working capital inflow of S\$0.74 million and net tax paid amounting to S\$0.15 million. The net working capital inflow was mainly due to the decrease in trade and other receivables of S\$0.42 million and increase in trade and other payables of S\$0.38 million due to the increase in purchases and offset by the increase in contract assets of S\$0.06 million.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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Net cash used in investing activities amounted to S\$0.30 million which was mainly due to acquisition of property, plant and equipment amounting to S\$0.32 million, acquisition of a subsidiary at S\$0.25 million, increase in amounts due from related parties, namely Kaoson and E Constructor, of S\$0.17 million for purposes of working capital, offset by repayment of S\$0.41 million from our Executive Chairman and CEO, Mr Poh Soon Keng, for funds advanced to him for his investment in NZE, and interest received amounting to S\$0.03 million.

Net cash used in financing activities amounted to S\$2.99 million, which was mainly due to instalment payments amounting to S\$2.43 million for hire purchase loans, repayments in amounts owing to a subsidiary director of S\$0.06 million and dividends paid amounting to S\$0.5 million.

As a result, there was a net decrease of S\$0.37 million in our cash and cash equivalents from S\$6.61 million to S\$6.23 million as at 30 June 2018, after adjusting for the effect of exchange rate fluctuations on cash held amounting to approximately S\$4,000.

### **FY2019**

In FY2019, we recorded net cash from operating activities of S\$3.30 million, which was a result of operating cash flows before working capital changes of S\$3.59 million, adjusted for working capital outflow of S\$0.26 million and net tax paid amounting to S\$0.03 million. The net working capital outflow was mainly due to the increase in trade and other receivables of S\$0.31 million and partially offset by the increase in trade and other payables of S\$0.06 million due to the increase in purchases from both trade and non-trade suppliers.

Net cash used in investing activities amounted to S\$1.08 million which was mainly due to acquisition of property, plant and equipment amounting to S\$2.22 million, and acquisition of a subsidiary (net of cash) of S\$0.1 million which was offset by repayment of S\$0.5 million from our Executive Chairman and CEO, Mr Poh Soon Keng, repayment of S\$0.44 million from related parties, namely Kaoson, NZE, ACE and E Constructor for advances made from previous years, proceeds from disposal of property, plant and equipment of S\$0.28 million, and interest received amounting to S\$0.03 million.

Net cash used in financing activities amounted to S\$4.73 million, which was mainly due to instalment payments amounting to S\$2.71 million for hire purchase loans, repayments of amounts owing to a subsidiary director of S\$0.01 million and related parties of S\$0.01 million and dividends paid amounting to S\$2.00 million.

As a result, there was a net decrease of S\$2.51 million in our cash and cash equivalents from S\$6.23 million to S\$3.72 million as at 30 June 2019, after adjusting for the effect of exchange rate fluctuations on cash held amounting to approximately S\$4,000.

### **FY2020**

In FY2020, we recorded net cash from operating activities of S\$1.38 million, which was a result of operating cash flows before working capital changes of S\$3.34 million, adjusted for working capital outflow of S\$2.03 million and net tax refunded amounting to S\$0.07 million. The net working capital outflow was mainly due to the increase in trade and other receivables of S\$3.01 million, decrease in trade and other payables of S\$0.31 million, increase in inventories of S\$0.23 million, and offset by decrease in contract assets of S\$1.53 million. Payments due to us from the provision of our city direct bus services to the LTA were recognised as contract assets. However, as the city direct bus services ceased in FY2020, our contract assets decreased in FY2020 as compared with FY2019.

Net cash used in investing activities amounted to S\$0.56 million which was mainly due to acquisition of property, plant and equipment amounting to S\$0.63 million, offset by proceeds from disposal of property, plant and equipment of S\$0.06 million.

Net cash from financing activities amounted to S\$0.98 million. This was mainly due to drawdown of bank borrowings of S\$3.54 million (net of interest paid), offset by instalment repayments amounting to S\$2.54 million for hire purchase loans.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

As a result, there was a net increase of S\$1.80 million in our cash and cash equivalents from S\$3.72 million to S\$5.52 million as at 30 June 2020.

### CAPITAL EXPENDITURE AND DIVESTMENTS

The capital expenditure and divestments made by our Group for the Period Under Review up to the Latest Practicable Date were as follows:

#### Capital Expenditure

S\$'000	FY2018	FY2019	FY2020	1 July 2020 up to the Latest Practicable Date
Fixtures and fittings	–	7	4	–
Computers	13	7	36	20
Office equipment	4	67	16	1
Motor vehicles	2,447	978	58	15
Machinery and equipment	32	53	16	4
Scaffold equipment	–	1,324	408	93
Insulation equipment	–	100	1	1
Renovation	–	64	93	–
<b>Total</b>	<b>2,496</b>	<b>2,600</b>	<b>632</b>	<b>134</b>

The capital expenditure during the Period Under Review and up to the Latest Practicable Date were mainly for purchases of motor vehicles, scaffolding equipment as well as insulation equipment. In FY2019 and FY2020, the Group expanded its engineering services to include design and installation of scaffold system. As such, the Group had invested in additional scaffold equipment amounting to a total of S\$1.73 million for FY2019 and FY2020 to cater to this expansion. Purchases of motor vehicles were financed under hire purchase facilities. Other purchases of furniture and fittings, computers, office equipment, machinery and equipment, scaffold equipment, insulation equipment and renovation were financed by internally generated funds.

#### Divestments<sup>(1)</sup>

S\$'000	FY2018	FY2019	FY2020	1 July 2020 up to the Latest Practicable Date
Fixtures and fittings	23	–	2	–
Computers	89	4	–	–
Office equipment	9	–	–	–
Motor vehicles	8	250	687	–
Machinery and equipment	66	33	9	1
Scaffold equipment	–	124	243	20
Insulation equipment	–	4	5	–
<b>Total</b>	<b>195</b>	<b>415</b>	<b>946</b>	<b>21</b>

#### Note:

(1) Relating to disposals and write-offs.

Save as disclosed above, there were no other material capital expenditure and/or divestments made by our Group for the Period Under Review and up to the Latest Practicable Date.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### CAPITAL COMMITMENTS

As at the Latest Practicable Date, there are no material capital commitments.

### LEASE COMMITMENTS

With the adoption of SFRS(I)16, the lease commitments of our Group are reflected in our financial statements and comprised leases of motor vehicles and office premises and accommodations.

As at 30 June 2020 and the Latest Practicable Date, the lease commitments of our Group recognised in our financial statements were as follows:

<b>S\$'000</b>	<b>As at 30 June 2020</b>	<b>As at the Latest Practicable Date</b>
Within one (1) year or less	1,421	1,212
Within two (2) to five (5) years	1,182	836
More than five (5) years	–	–
<b>Total</b>	<b>2,603</b>	<b>2,048</b>

In addition to the above, as at 30 June 2020 and the Latest Practicable Date, the future lease payments of the Group relating to short-term leases (which are not reflected in our financial statements) in accordance with SFRS(I)16 were as follows:

<b>S\$'000</b>	<b>As at 30 June 2020</b>	<b>As at the Latest Practicable Date</b>
Within one (1) year or less	226	328
Within two (2) to five (5) years	–	–
More than five (5) years	–	–
<b>Total</b>	<b>226</b>	<b>328</b>

As at the Latest Practicable Date, we do not have any leases for which the underlying asset is of low value.

We intend to finance all the above lease commitments through internally generated funds.

### CONTINGENT LIABILITIES

As at the Latest Practicable Date, our Group has no contingent liabilities.

### INFLATION

Our financial performance for the Period Under Review was not materially affected by inflation.

### FOREIGN EXCHANGE MANAGEMENT

As at the Latest Practicable Date, our businesses are primarily conducted in Singapore, and thus we are mainly using Singapore dollar as the transaction currency, with minimal exposure to foreign exchange.

We currently do not have any formal policy for hedging against foreign exchange exposure and have not undertaken any significant hedging activities during the Period Under Review. Going forward, we may employ hedging instruments to manage our foreign exchange exposure should the need arises. Prior to implementing any formal hedging policies, we will seek the approval of our Board on the policy and put in place adequate procedures which shall be reviewed and approved by our Audit Committee. Thereafter, all hedging transactions that we enter into will be in accordance with the set policies and procedures.

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION**

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### **SIGNIFICANT CHANGES IN ACCOUNTING POLICIES**

There has been no significant change in the accounting policies for our Group during the Period Under Review, except that we have adopted new and revised accounting standards which are effective for annual periods beginning on 1 July 2019. The accounting policies have been consistently applied by our Group during the Period Under Review.

A number of new accounting standards and interpretations and amendments to accounting standards are effective for annual periods beginning after 1 July 2019 (in our instance for FY2020 onwards) and earlier application is permitted. Our Group has not early adopted the new or amended standards and interpretations in preparing these financial statements as it is not a requirement. Our Group is in the process of assessing the impact of the new accounting standards and amendments to the accounting standards on our financial statements.

## CAPITALISATION AND INDEBTEDNESS

The following table shows the cash and cash equivalents as well as the capitalisation and indebtedness of our Group as at 30 June 2020 and 30 September 2020, being a date no earlier than 60 days before the date of lodgement of this Offer Document, (a) based on our audited combined statements of financial position as at 30 June 2020 as set out in the “Independent Accountants’ Report and the Audited Combined Financial Statements for the Years Ended 30 June 2018, 2019 and 2020” in Appendix A of this Offer Document; (b) based on our unaudited consolidated management accounts as at 30 September 2020; and (c) as adjusted for the net proceeds from the Placement.

You should read this table in conjunction with the “Independent Accountants’ Report and the Audited Combined Financial Statements for the Years Ended 30 June 2018, 2019 and 2020” as set out in Appendix A of this Offer Document, and the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document.

S\$’000	(a) As at 30 June 2020	(b) As at 30 September 2020	(c) As adjusted for the net proceeds from the Placement
Cash and cash equivalents	5,516	7,098	8,776 <sup>(1)</sup>
Fixed deposits pledged <sup>(2)</sup>	258	258	258
<b>Indebtedness</b>			
<b>Current</b>			
Secured and guaranteed	–	–	–
Secured and non-guaranteed	–	–	–
Unsecured and guaranteed	4,988	4,804	4,804
Unsecured and non-guaranteed	–	–	–
<b>Non-current</b>			
Secured and guaranteed	–	–	–
Secured and non-guaranteed	–	–	–
Unsecured and guaranteed	1,182	2,431	2,431
Unsecured and non-guaranteed	–	–	–
Total indebtedness	6,170	7,235	7,235
<b>Total shareholders’ equity</b>	14,746	15,031	16,709 <sup>(3)</sup>
<b>Total capitalisation and indebtedness</b>	20,916	22,266	23,944

**Notes:**

- (1) Adjusted to include the net proceeds from the Placement of approximately S\$1.68 million.
- (2) Fixed deposits were pledged to financial institutions for our Group’s banker’s guarantee facilities.
- (3) Adjusted to reflect the issuance of 16,000,000 Placement Shares at the Placement Price and the application of net proceeds from the Placement in the manner described in the section entitled “Use of Proceeds from the Placement and Expenses Incurred” of this Offer Document, after deducting the placement commission and other estimated expenses payable by us in relation to the Placement.

## CAPITALISATION AND INDEBTEDNESS

### Bank Facilities

As at the Latest Practicable Date, our bank facilities (utilised and unutilised) were as follows:

Type of bank facilities	Amount of facilities granted (S\$'000)	Amount utilised (S\$'000)	Amount unutilised (S\$'000)	Interest rates per annum	Maturity profile
Temporary Bridging Loan (DBS Bank Ltd.) <sup>(1)(2)(9)</sup>	1,500	1,500	–	2.5%	5 years
Temporary Bridging Loan (Maybank) <sup>(9)(10)</sup>	3,000	3,000	–	2.5%	5 years
Factoring Facility (Maybank) <sup>(4)</sup>	1,800	298	1,502	Bank's cost of funds plus 1.75% <sup>(8)</sup>	150 days
Overdraft Facility (DBS Bank Ltd.) <sup>(2)</sup>	200	–	200	Bank's prevailing prime rate (currently 4.25%)	Repayable on demand
Hire Purchase Facility (DBS Bank Ltd.) <sup>(5)</sup>	6,250	5,770	480 <sup>(7)</sup>	2.69% to 3.37%	Final repayments from July 2020 to December 2022
Hire Purchase Facility (Maybank) <sup>(6)</sup>	3,595	3,015	580 <sup>(7)</sup>	2.59% to 2.78%	Final repayments from July 2020 to November 2022
Hire Purchase Facility (Mercedes-Benz Financial Services Singapore)	114	114	–	Applied 2.68% Effective 5.24%	Final repayment in June 2023
Banker's Guarantee (Maybank) <sup>(4)</sup>	16	16	–	Bank's standard pricing guidelines	Not applicable

#### Notes:

- (1) This loan contains a restriction that the borrower shall not and shall procure that the borrower's direct and indirect holding companies and subsidiaries shall not declare, pay or make any dividend or other distribution, whether of an income or capital nature and whether in cash or in specie, in respect of any accounting period, without the bank's prior written consent.
- (2) This loan contains a restriction on the borrower to (i) undertake or permit any merger, demerger, re-organisation, amalgamation, reconstruction, take-over or any other schemes of compromise or arrangement affecting its present constitution; or (ii) permit any change in the membership or constitution of the firm or any change in the name or style of the firm of dissolution of the firm, without the bank's prior written consent. It is also provided that if the legal or beneficial ownership of any shares in the borrower's capital is transferred without the bank's prior written consent, such event constitutes a "termination event" and the bank may by notice in writing declare the total indebtedness to be immediately due and payable.
- (3) This loan contains a provision that the borrower shall promptly inform the bank of any change in the ownership (beneficial or legal) of the borrower. In the event of such change, the bank reserves the right to call for full repayment of the facilities.
- (4) This loan contains a restriction on the borrower to (i) undertake or permit any re-organisation, amalgamation, reconstruction, take-over, substantial change of shareholders or any schemes of compromise or arrangement affecting its present constitution; or (ii) make substantial alteration to the nature of its business or amend or alter the provisions in the borrower's memorandum and articles of association relating to its borrowing powers and principal business activities, without the bank's prior written consent.
- (5) This loan contains a provision that if there is a change in the ownership or control or management of the borrower, and such change is, in the opinion of the bank, prejudicial to the bank's interest, the borrower shall be deemed to have repudiated the hire purchase facility and it shall be lawful for the bank by notice in writing to the borrower forthwith determine the hire purchase agreement.
- (6) This loan contains a provision that if there is any change (which the bank considers as material) in the composition of the shareholders of or control of the borrower which shall have taken place without the prior consent of the bank, such event shall be a termination event and the bank may retake and resume possession of the goods and the hire purchase agreement shall forthwith and without notice determine.

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## CAPITALISATION AND INDEBTEDNESS

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- (7) In view of the nature of the hire purchase facility, such unutilised amounts are no longer available for drawdown.
- (8) The bank also requires payment of a service charge of 0.25% of the invoice value or a minimum of S\$800 per month and an administrative charge of 1.0% per month of the outstanding amount owing by customers on such invoice being part or all the net invoice value of such invoice.
- (9) This loan is granted under the Temporary Bridging Loan Programme which was introduced in response to the COVID-19 outbreak to help enterprises manage their immediate cash flow needs. Enterprise Singapore will provide 90% risk-share on these loans for new applications initiated from 8 April 2020 to 31 March 2021. Under the risk-share, the borrower is responsible for 100% of the loan amount, and if default of the loan occurs, the bank is obligated to follow their standard commercial recovery procedure (including the realisation of security) before they can make a claim against Enterprise Singapore for the unrecovered amount in proportion to the risk-share. This loan is secured by a joint and several personal guarantee from Mr Poh Soon Keng and Ms Tan Siew Lan and a corporate guarantee from Aedge Technologies.
- (10) This loan is granted under the Temporary Bridging Loan Programme which was introduced in response to the COVID-19 outbreak to help enterprises manage their immediate cash flow needs. Enterprise Singapore will provide 90% risk-share on these loans for new applications initiated from 8 April 2020 to 31 March 2021. Under the risk-share, the borrower is responsible for 100% of the loan amount, and if default of the loan occurs, the bank is obligated to follow their standard commercial recovery procedure (including the realisation of security) before they can make a claim against Enterprise Singapore for the unrecovered amount in proportion to the risk-share. This loan is secured by a joint and several personal guarantee from Mr Poh Soon Keng and Ms Tan Siew Lan.

To the best of our Directors' knowledge, as at the Latest Practicable Date, our Group is not in breach of any of the terms and conditions or covenants associated with any bank facilities or our financial arrangements which could materially affect our financial position results of operations of our Group, or the investments of our Shareholders. Save as disclosed above, there are no material terms and conditions in our bank facilities or our financial arrangements which impose restrictions on payment of dividends and/or are tied to our Directors and/or make references to the specific shareholding interest of any Controlling Shareholder.

Pursuant to Rule 728 of the Catalist Rules, the Controlling Shareholders of our Group, Mr Poh Soon Keng, Ms Poh Pei Chi, Ms Tan Siew Lan and PTCC have provided undertakings to our Company that they will notify our Company as soon as they become aware of any share pledging arrangements relating to their respective Shares, and of any event which may result in a breach of our Group's loan provisions which make reference to their shareholding interests as Controlling Shareholders of our Group. Upon notification by any of the Controlling Shareholders, our Company will make the necessary announcement(s) in compliance with the said rule.

Save as disclosed above, our Group has no other borrowings or indebtedness (direct or indirect) or liabilities (including contingent liabilities) as at the Latest Practicable Date.

Save as disclosed in this section and the section entitled "Dividend Policy" of this Offer Document, since 30 June 2020 and up to the Latest Practicable Date, there were no material changes in our total capitalisation and indebtedness except for changes in our retained earnings arising from the day-to-day operations in the ordinary course of our business.

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## GENERAL INFORMATION ON OUR GROUP

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### HISTORY

Our Company was incorporated in Singapore on 3 October 2019 under the Companies Act as a private company limited by shares, under the name of “Aedge Group Pte. Ltd.”. In preparation for the Listing, we undertook the Restructuring Exercise under which our Company became the holding company of our Group. On 24 March 2020, our Company was converted into a public company limited by shares and our name was changed to “Aedge Group Limited”.

The origins of our Group can be traced back to 2000, when our founder and Executive Chairman and CEO, Mr Poh Soon Keng, incorporated Aedge Technologies under the name “Auto-Interactive Pte Ltd” as an e-commerce and information technology solutions provider. At its incorporation, Aedge Technologies offered information technology consultancy and implementation services to small-medium enterprises.

In 2004, our Group incorporated Aedge Services under the name “Aedge Manpower Management Pte. Ltd.” to provide manpower recruitment services.

In 2005, our Group incorporated Aedge Holdings to provide building automation and sub-contract services.

In 2006, Aedge Technologies expanded its services to include engineering sub-contract and scaffolding services.

In 2011, Aedge Holdings diversified into the provision of our transport services with the acquisition of five (5) buses, and was awarded the licence to operate three (3) premium bus services route by the Public Transport Council in Singapore, which regulates public transport fees and ticket payment services. In 2014, our Group tendered for and was awarded the LTA’s city direct bus contract to service three (3) service routes to the Central Business District. City direct buses provide commuters one-way trips between residential estates and the Central Business District and *vice versa*. In 2015, our Group was awarded another three (3) additional city direct bus routes by the LTA. The LTA ceased the city direct bus services in December 2018. Since the diversification into transport services, our Group has been awarded numerous contracts by many organisations, including multi-national corporations, Jurong Town Corporation and Singapore government agencies such as the Ministry of Education and other ministerial organisations, for the provision of transport services including bus services for the National Day Parade. As at the Latest Practicable Date, we have grown our fleet of buses to 88 buses with capacities ranging from 10 seaters to 45 seaters.

In 2012, Aedge Services acquired the business of an existing security agency and expanded into offering security guarding services. At the same time, Aedge Services was providing manpower outsourcing services for the aviation sector. In the same year, Aedge Holdings began offering cleaning services. We also incorporated Aedge Resources and SAE Resources.

In 2017, Aedge Technologies began offering electrical and HVAC engineering services, design and installation of scaffolding systems, and also started providing security system integration.

### BUSINESS OVERVIEW

Our Group is a Singapore-based multi-services provider. We provide three (3) principal services, namely engineering services, transport services and security and manpower services. Being a multi-services provider allows us to provide a comprehensive range of services offerings to meet the diverse needs of our customers. Further details of our engineering services, transport services and security and manpower services are set out below.

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## GENERAL INFORMATION ON OUR GROUP

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### Engineering services

Our Group's provides the following engineering services:

- Scaffolding services

*Supply of scaffold workers*

As at the Latest Practicable Date, we employ 110 scaffold workers comprising certified scaffold erectors and scaffold supervisors. As part of our scaffolding services, we supply such scaffolding workers to our customers to undertake scaffolding works in the oil and gas, petrochemical, marine and offshore and construction industries. We supply our workers on a project by project basis, where these workers are placed with our customers for the duration of the project. Ancillary to the supply of scaffold workers, we also provide skilled and semi-skilled general workers to our customers.

*Design and installation of scaffolding systems*

When our Group initially expanded our services to provide engineering services, we supplied scaffolding workers to our customers to undertake the scaffolding works. However, since mid-2017 we expanded our offerings to include the design and installation of scaffolding systems.

As part of our scaffolding services, our Group designs and installs scaffolding systems for projects mainly in the oil and gas, petrochemical, marine and offshore and construction industries. We also design and install scaffolding systems to support maintenance works of our customers. Scaffolding systems are temporary structures installed around the exterior of another structure or building to provide workmen access for construction, maintenance or repair works. Due to the size and height, large and tall buildings or structures usually have inaccessible areas, and scaffolds provide a means to reach elevated areas and parts that are otherwise inaccessible. To give access to such areas, various components of a scaffolding system are put together to form a series of platforms, ladders and stairs. Scaffolding systems are dismantled and removed after the works performed by our customers' workmen are completed. All our scaffolding systems are installed by our certified scaffold erectors under the supervision of our qualified scaffold supervisors and certified where necessary by a professional engineer to be safe for use in accordance with the Workplace Safety and Health (Scaffolds) Regulations 2011.

Scaffolds may also be adapted to provide functions other than access. As part of our Group's scaffolding services, we design and install scaffolds as engineered shelters. Engineered shelters are temporary tentage, roof or covers constructed over or around scaffolds that provide protection against various elements or activities. For instance, tentage may be erected and installed over buildings and other structures to prevent damage from rain and sun. Engineered shelters can also be installed and used as temporary warehouse to provide on-site protection of construction materials and equipment against the elements. Shelters may also be erected around construction sites to prevent injury to people and/or damage to the surrounding environment from construction activities. For example, sand blasting may cause loose sand particles to be expelled, and an appropriate engineered shelter may prevent such particles from being expelled outside of the designated construction site. For restricted or confidential projects, engineered shelters may be installed to conceal and provide the worksites cover against ground, aerial or satellite surveillance.

Some of the major projects, including those involving the design and installation of scaffolding systems or engineered shelters, which have been completed by our Group or are currently in progress, arranged in chronological order, are set out below:

## GENERAL INFORMATION ON OUR GROUP

### Completed Projects

Project Description	Customer	Completion Date
Design and supply of engineered shelter at Novartis Singapore Pharmaceutical Pte Ltd	Guan Joo Construction Pte Ltd	June 2017
Design and supply of grating systems for desalination plants	HSL Constructor Pte Ltd	November 2017
Design and supply of scaffolding works	Keppel Shipyard Ltd	March 2019
Design and installation of mobile shelter	Welltech Construction Pte Ltd	April 2019
Construction of office building and ancillary works at Changi East for tentage system	Sembcorp Design and Construction Pte Ltd	May 2019
Design and installation of engineered shelter in Brunei	Pitchmastic PMB Ltd	August 2019
Supply and install steel mobile shelter	Boustead Project E&C Pte Ltd	October 2019
Design and installation of scaffolding works at Sabarok	Overseas Technical Engineering and Construction Pte Ltd	October 2019
Design and installation of insulation works	Rotary Electrical and Instrumentation Pte Ltd	November 2019
Design and installation of scaffolding works at Sabarok	Hiap Seng Engineering Ltd	December 2019
Design and installation of scaffolding and falsework	Sembcorp Design and Construction Pte Ltd	January 2020
Supply of grating for Honsea II Offshore Windfarm Project	Sembcorp Marine Offshore Platform	April 2020
Design and supply of Cuplok Scaffolding System at Changi site	Sembcorp Specialised Construction Pte Ltd	June 2020
Design and supply of Cuplok Scaffolding system at Tengah Site	Sembcorp Specialised Construction Pte Ltd	September 2020

### Ongoing Projects

Project Description	Customer	Expected Completion Date
Supply and installation of scaffolding works at Sebarok Island	Twinspark Contracting Pte Ltd	December 2020
Supply of grating for Changhua Windfarm Project	Keppel Fels	December 2020
Design and installation of scaffolding works	PacificLight Power Pte Ltd	December 2020
Design and installation of scaffolding works for Karish Gas Development Offshore Project	SMIY Pte Ltd	January 2021
Supply and installation of insulation work at SLU Project	PEC Ltd	March 2021
Design and installation of shelter and bus stop at Shell Bukom	Shell Eastern Petroleum Pte Ltd	March 2021

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## GENERAL INFORMATION ON OUR GROUP

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Design and Installation of Scaffolding



Design and Installation of Scaffolding

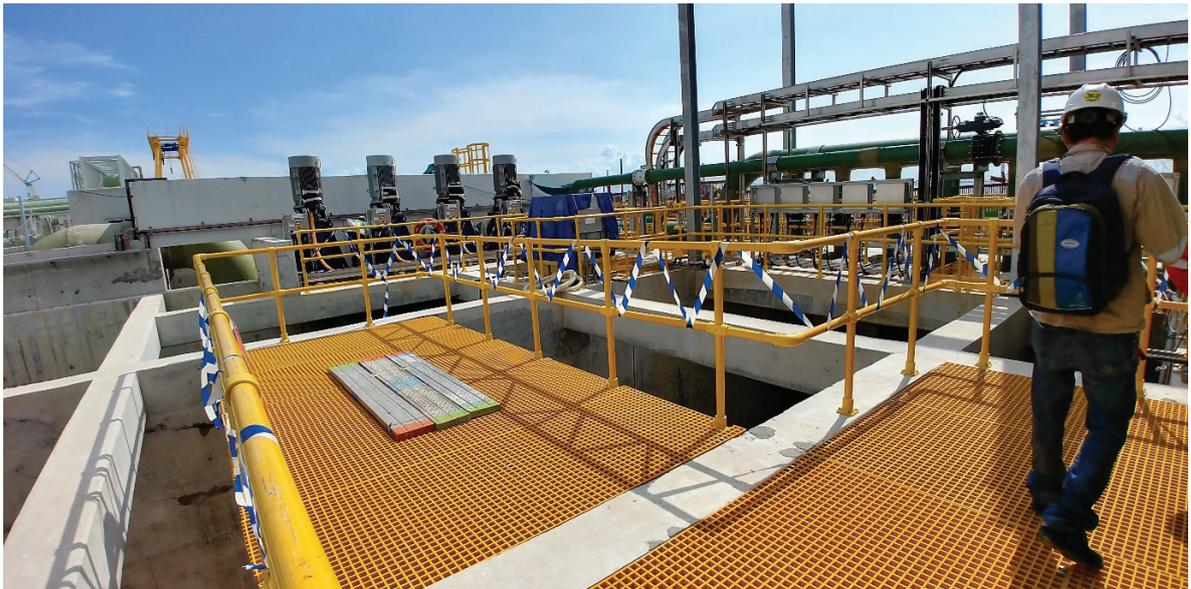
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## GENERAL INFORMATION ON OUR GROUP

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Engineered Shelter

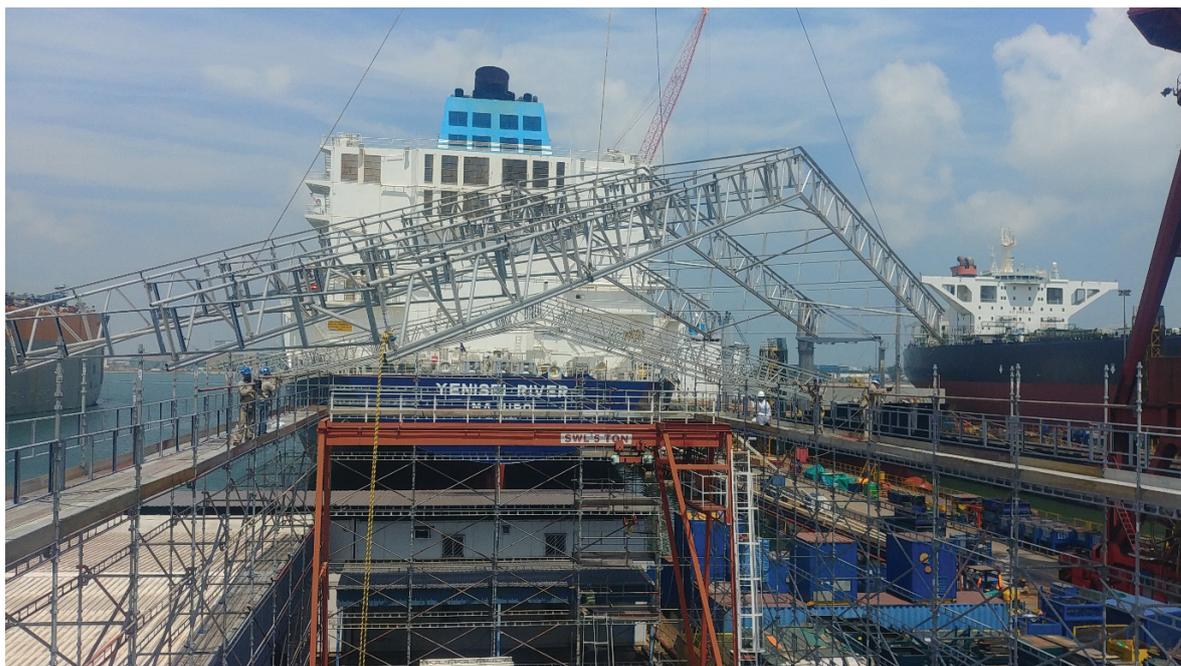


Grating

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## GENERAL INFORMATION ON OUR GROUP

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Engineered Shelter

As part of our scaffolding services, we also sell and rent scaffold components and parts to customers for their own scaffold installations. Our Group is also a supplier of various types of grating used for the construction of permanent access platforms and structures. Such permanent access platforms and structures form a permanent part of the building or structure and are retained after completion of the construction of the building or structure.

As the use of scaffolds presents safety risks and hazards, the installation of scaffolds is strictly regulated by the MOM. For further details, please refer to the section entitled “Summary of Relevant Laws and Regulations” as set out in Appendix B of this Offer Document. We are certified by the MOM as an Approved Scaffold Contractor authorised to carry out a range of scaffolding services.

If required by our customers, our Group offers complementary corrosion prevention services together with our scaffolding services. Our corrosion prevention services involve the application of protective coatings to provide corrosion and environmental protection to our customers’ equipment, building and structures.

- Insulation and passive fire protection services

*Supply of insulation workers*

As part of our Group’s insulation and passive fire protection services, we primarily supply skilled and semi-skilled workers to our customers to undertake insulation and fire protection installation work in the oil and gas, petrochemical, marine and offshore and construction industries. We supply our workers on a project by project basis, where these workers are placed with our customers for the duration of the project.

*Installation of insulation and passive fire protection solutions*

Separately, as part of our insulation and passive fire protection services, we undertake the procurement, fabrication, installation, commissioning and maintenance of thermal insulation and refractory materials for the oil and gas, petrochemical and marine and offshore industries.

Thermal insulation refers to the application of materials to pipes, containers, vessels and equipment to insulate against temperature variances. Fluids and gases in pipes, containers, vessels and equipment used in the oil and gas, petrochemical and marine and offshore industries

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## GENERAL INFORMATION ON OUR GROUP

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are required to be maintained at specific temperatures during operation. Insulation is applied to ensure that the pipes, containers, vessels and equipment operate at optimal conditions. We use a variety of different materials for our thermal insulation services and the actual material used depends on the customers' requirements and specifications.

Refractory materials, on the other hand, are heat-resistant material capable of withstanding decomposition by heat, pressure or chemicals. They are produced from natural and synthetic materials or combinations of compounds and minerals. Refractory materials are used to line high temperature furnaces, kilns, incinerators and reactors.

Our Group also supply and install passive fire protection products to customers for protection of plants and buildings against fire. Passive fire protection products and systems are utilised to contain fires within designated compartments and retard the spread of fire using fire-resistant walls, floors, and doors and coating structures with mineral-based or organic resin-based products. Passive fire protection also prevents building structures from reaching temperatures that will cause it to collapse, thereby saving lives, assets and buildings. Passive fire protection is an integral component of fire safety of buildings, industrial plants and ships and is commonly included in fire safety design plans.

While our Group possesses in-house passive fire protection capability, we also work with third party subcontractors in order to provide a more comprehensive suite of products and solutions to our customers.

- Design and installation of HVAC and refrigeration systems

As part of our engineering services, our Group is engaged in the design and installation of HVAC and refrigeration systems for the industrial and marine and offshore sectors.

Our HVAC and refrigeration systems are designed to regulate air quality, temperature and humidity within industrial buildings and marine structures and vessels, such as FSOs and FPSOs, to ensure the appropriate or optimal working and operating environment is achieved and maintained.

- Electrical engineering services

Our Group provides electrical engineering services which comprise mainly design, customisation, installation, testing and commissioning of electrical systems. Our electrical engineering services are required in new building developments, redevelopments, addition and alteration works, as well as upgrading projects for the industrial, marine and offshore and petrochemical sectors.

### **Transport services**

Our Group is one of the leading bus transport service providers in Singapore. Our Group owns a fleet of buses which are deployed for a wide range of transport services. As at the Latest Practicable Date, we have a fleet of 88 buses with capacities ranging from 10 seaters to 45 seaters. Our current fleet of buses has an average age of approximately five (5) years.

Our transport services comprise the following:

- Premium bus services

Our premium bus services provide commuters one-way trips between residential estates and the Central Business District. Compared to public buses, our premium bus services offer more comfortable seats and commuters are assured of a seat onboard. Our premium bus services also make fewer stops within residential estates as compared to public bus services offered by public transport operators and which service routes are planned by the LTA.

As at the Latest Practicable Date, we have been licensed by the LTA to service passengers residing in nine (9) housing estates, namely, Ang Mo Kio, Bedok Reservoir Road, Bedok South Road, Choa Chu Kang, Jurong East, Pasir Ris, Punggol, Teban Gardens and Yung Ho Road.

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## GENERAL INFORMATION ON OUR GROUP

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- School bus services

Our Group provides bus services for student commuters. As at the Latest Practicable Date, we provide bus services for three (3) schools, namely, West Spring Primary School, North Oaks Primary School, and Damai Primary School. School bus contracts are usually granted on an annual basis and operators who receive invitations from the schools may tender for the contract. As part of our school bus services, our Group also provides ad-hoc bus services for school excursions and other school events.

- Private bus charter services

Our Group offers private bus charter services which provide fixed routes and schedules customised to our customers' needs. Routes may be looped/circular or bi-directional or uni-directional between two (2) terminus. Buses on a loop/circular routes leave one terminus and complete their route by returning back to the same terminus. Our customers for such private charter bus services typically comprise private commercial institutions and government agencies and serve routes between designated pick-up points such as bus stations or MRT stations and property development clusters, commercial offices/malls, and government sites. Our Group secured a two -year contract commencing 1 December 2018 for the provision of shuttle services between residential areas within Sentosa, which has been extended for a further two (2) years until 30 November 2022. Our customers, past and present, for private bus charter services include government agencies as well as private companies such as Temasek Club, BASF South East Asia Pte Ltd, Changi Airport Group (Singapore) Pte. Ltd., Development Corporation and the Oiltanking Group.

- Ad-hoc bus services

Our fleet is available for one-off rental for various ad-hoc services, such as transport of office staff and chartering for events such as conventions, concerts, sporting events, exhibitions, private functions, airport transport and sightseeing tours. During the Period Under Review, our buses have been leased out to assist in the transport of participants and marching contingents for the National Day Parade and open house events organised by Singapore Polytechnic and Nanyang Polytechnic.

### **Security and manpower services**

Our Group provides the following security and manpower services:

- Security services

Our security services comprise security guarding services and security systems integration.

*Security guarding services*

As part of our security guarding services, we supply security officers to provide unarmed guard and patrol services to our customers. As at the Latest Practicable Date, we employ 94 security officers. Our security officers may be deployed for various operations or security needs, such as for event security or as security for commercial, industrial and residential premises or governmental sites. Our security officers may also be stationed at the premises of our customers to manage and operate the security systems, some of which are supplied and installed by us.

The typical duties and responsibilities of our security officers include:

- (a) access control, including registration of visitors and prevention of trespassing;
- (b) patrolling;
- (c) reporting and recording security incidents;
- (d) handling and reporting emergencies and complaints; and
- (e) monitoring security systems.

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## GENERAL INFORMATION ON OUR GROUP

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As at the Latest Practicable Date, our security officers are under the management and supervision of a senior security team comprising an operations director, an operations manager and three (3) operations executives. The members of our senior security team are either former Singapore Police Force personnel or Singapore Armed Forces military servicemen.

We devote extensive time and resources to hiring, training, developing and retaining our security officers to achieve a high level of service. Our security officers are certified and kept abreast with the latest security developments.

Our Group is a security agency licensed by the PLRD and has achieved a Grade “A”, Grade “B” and Grade “C” in the Security Agencies Grading Exercise for 2018, 2019 and 2020, respectively. For 2019, we achieved a Grade “B” as we failed to meet some of the new requirements introduced for that year of assessment (mainly human resources software requirements) and for 2020, we achieved a Grade “C” as we failed to meet some of the new requirements introduced for that year of assessment (mainly the Counter Terrorism requirement to send our security officers for the “Recognise Terrorist Threats” course) (“**RTT**”). We were also penalised in points for failing to inform the PLRD within the prescribed time following the termination of a security officer (“**First Infringement**”) and also for continuing to employ a security officer who failed to renew his licence upon expiry (“**Second Infringement**”). We paid a composition fine of S\$1,000 for the First Infringement. On 17 February 2020, we received a written stern warning for the Second Infringement. Following the aforesaid composition fine and stern warning, the investigations in relation to the First Infringement and Second Infringement have been completed and closed. We have rectified the First Infringement and the relevant security officer in respect of the Second Infringement is no longer in our employment. The drop to Grade “C” would prevent us from tendering for government projects as their usual tender conditions require a minimum Grade “B”. However, our Directors are of the view that the drop in grading will not have a material impact to the operations and financials of the Group as the revenue attributable to government contracts in FY2020 amounted to S\$0.47 million which represents 4.0% of the revenue of our security and manpower services business segment in FY2020 or 2.0% of our Group’s total revenue in FY2020.

In June 2019, when we applied to renew our Licence to Operate as a Security Service Provider (which allows us to, *inter alia*, supply and install security equipment), we were informed by the PLRD that we had failed to notify the appointment of two (2) directors to Aedge Technologies within the stipulated period in contravention of the regulations in relation to our Licence to Operate as a Security Service Provider. Notwithstanding the aforesaid, our application for the renewal of our Licence to Operate as a Security Service Provider was approved. On 17 February 2020, Aedge Technologies received a written stern warning for the said contravention. Following the aforesaid stern warning, the investigation has been completed and closed.

We are taking the contraventions and also the drop in our grading very seriously. Our Chief Operating Officer (Security and Manpower) has set up a working group to look into improving our grading and will be providing periodical updates and reports to our Board. Our Group has, through the recommendations of the working group, since documented all the standard operation procedures for human resource, including the weekly monitoring of the expiry dates of our security officers’ licences, the weekly updating of our register of security officers, in particular our temporary security officers and the weekly monitoring of the relevant compliance, regulatory and grading requirements as well as conducting random checks to ensure security officers comply with the relevant compliance, regulatory and grading requirements. We have also implemented procedures for our managers to conduct random checks to ensure our staff’s adherence to the standard operation procedures. We have implemented a policy to prioritise the employment of security officers who have completed the requisite trainings including the RTT. Where required, we will send our security officers for all requisite trainings including the RTT within the first month of their employment. Besides upgrading our existing human resource software to satisfy the shortfall in the 2019 assessment, the working group is in the process of implementing a new human resource software to enhance the monitoring of the Group’s compliance with the relevant compliance, regulatory and grading requirements, as the new software allows the Group to, *inter alia*, monitor attendance information which will be uploaded automatically, be alerted of any excessive overtime hours worked by its security officers, and track security officers’ licence validity. The Group would continue to explore other areas of improvements.

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## GENERAL INFORMATION ON OUR GROUP

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We have been awarded bizSAFE Star Level 3 by the Workplace Safety and Health Council for complying with the requirements in the WSH Act and its subsidiary legislation. The Group is also a member of the Security Association of Singapore.

### *Security system integration*

As an expansion of our security guarding services, we commenced offering a wide range of security systems and solutions to provide protection of people, premises and assets to our customers in 2017.

We customise, source, integrate, install, implement the security tools and technologies required by our customers and provide the necessary training for the use of the security system. Additionally, we provide services for the regular maintenance of security systems. The key security systems and solutions that our Group offers are as follows:

(a) Remote video surveillance

Remote video surveillance systems refer to tools and technologies to enable the visual monitoring of designated areas from a remote location. A basic remote video surveillance system comprises a video camera to acquire and capture video images and a monitor to which a real time broadcast of the images are transmitted to (such as CCTV system). Based on our customers' needs and requirements, video monitoring can be carried out at our customers' premises by their own security officers, or our Group may offer remote monitoring services, where video feeds are delivered to our Group's command centre and monitored by our own personnel.

(b) Communication

Communication systems offer one-way communication, such as public address systems or two-way communication, such as audio/video intercoms and conference systems. Communication systems are usually used in conjunction with video surveillance systems and other security management systems to facilitate real time communication so as to enable the coordination of personnel and events so as to prevent or manage security risks or malicious activities.

(c) Physical access control and intrusion detection

Physical access control refers to technologies and tools which are deployed to prevent, restrict or limit physical access to a controlled designated area. Physical access control systems uses technologies include biometric control systems (such as fingerprint scanners), access cards systems (such as contactless smart cards) and facial recognition tools to control or restrict the ingress and egress of selected persons to and from controlled areas.

Intrusion detection systems are systems which enable the monitoring and detection of physical access or breach into a restricted designated area, for instance with the use of contact or motion sensors or pressure detection systems Each of these intrusion detection systems sends off an alarm or signal to an administrator or security management system when the appropriate trigger is set off.

(d) Centralised security management

A centralised security management system involves the integration of various remote video surveillance, communication and physical access control and intrusion detection systems into a unified interconnected system. This allows the various security systems to be managed and controlled under a central system rather than operated as independent systems. Centralised security management systems can be designed to automate the monitoring of security risk to reduce the reliance on security personnel. For instance, a central security management system can be set-up to receive and process triggers arising from a security breach, such as intrusion or breach of a controlled area, and automatically determine the next course of action, such as alarming the appropriate in-house security personnel, or to alert external security contractors or the police, or to set-off an alarm.

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## GENERAL INFORMATION ON OUR GROUP

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- Cleaning services

Our Group provides cleaning solutions and services for residential, commercial and industrial premises and compounds, as well as, schools and places of worship. We typically provide our cleaning services on term contracts. We are also contracted by customers to provide customised and specialised cleaning services on an ad hoc basis.

We maintain a team of cleaning specialists who are trained to provide cleaning solutions and services to our customers.

As part of our cleaning solutions, we use specialised machinery and equipment such as scrubbers, sweepers, and burnishers which allow us to cover a wider area and achieve a higher rate of productivity as these specialised equipment enable the operator to cover a larger floor area in a limited period of time. With our specialised equipment and trained staff, we are also able to offer customised and specialised cleaning services such as deep cleaning and carpet shampooing.

Our Group has been accredited with the “Clean Mark Silver” award by the NEA under the Enhanced Clean Mark Accreditation Scheme since 2017. As at 14 September 2020, only 237 companies out of 1,453 companies were accredited with a “Clean Mark Silver” award or a “Clean Mark Gold” award. The Clean Mark award is granted annually in recognition of companies that deliver high standards of cleaning through the training of workers, use of equipment to improve work processes, fair employment practices, implementation of the progressive wage model and productivity initiatives. Cleaning companies that have obtained two (2) years of Clean Mark award accreditation, such as our Group, are qualified to tender for government cleaning contracts.

Our Group’s cleaning services have also been accredited with ISO 45001:2018, ISO 9001:2015 and bizSAFE Star.

- Manpower services

We offer workforce solutions for the different manpower needs of our customers. Our manpower services comprise manpower staffing and recruitment and placement services.

*Manpower staffing*

For our manpower staffing services, our Group specialises in and primarily sources and supplies aerospace technicians to companies engaged in aerospace maintenance, repair and overhaul. Our Group is registered with the MOM under the Aerospace Labour Supply Scheme as an approved labour supplier to contract Employment Pass, S Pass and/or Work Permit holders to work in aerospace companies. For the Period Under Review, the supply of aviation technicians contributed to more than 90.0% of our Group’s revenue arising from manpower staffing. As a result of the COVID-19 pandemic which has resulted in the collapse of the aviation sector globally since March 2020, our Group’s revenue arising from security and manpower services has been materially and adversely affected. Please refer to the risk factor entitled “We are exposed to risks in respect of outbreaks of communicable diseases” in the section entitled “Risk Factors” of this Offer Document for more details on the impact of COVID-19 on our operations.

In connection with our manpower staffing services, our Group has entered into agreements for contract staffing services dated 28 October 2014 and 1 September 2019 with Transfingo, pursuant to which Transfingo and our Group will collaborate to supply manpower to customers. Transfingo is a provider of recruitment process outsourcing services to companies in the Asia-Pacific region and is experienced in marketing to the aviation industry and the sourcing for aviation technicians from overseas. Transfingo undertakes primarily the sourcing and recruitment of the technicians from overseas as well as manages employee training and development matters for the aviation technicians. On the other hand, the Group handles the administrative, hiring and payroll matters for the aviation technicians to be employed. This allows both parties to benefit from the sharing of costs and resources.

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## GENERAL INFORMATION ON OUR GROUP

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The 28 October 2014 agreement set outs, *inter alia*, the roles and responsibilities of each party, pricing and payment terms as well as the following agreement termination conditions: (i) bankruptcy of either party, and (ii) notice of termination served by either party and cessation (not termination) of employment of the last contract staff, which could lead to the termination of the agreement unless both parties agree to a waiver of the aforementioned termination conditions.

The 1 September 2019 agreement sets out, *inter alia*, the scope of work/services and obligations of each party to the agreement, payment terms, freedom to contract with any other parties and termination of agreement by either party giving the other party not less than 14 days' written notice or either party may by written notice summarily terminate the agreement with immediate effect if (i) the other party breaches any term of the agreement which, in the case of a breach capable of remedy, if not remedied by the defaulting party within 10 business days of a written notice from the party specifying the breach and requiring its remedy; (ii) the other party commits any serious or repeated breach or non-observance of any of the provisions of the agreement or refuses or neglects to comply with any reasonable directions or requests of the party; (iii) the other party becomes insolvent or passes or attempts to pass a resolution for its winding up, or has a judicial manager appointed over it or petition for the appointment of a judicial manager appointed over it; (iv) a petition is presented or a resolution proposing its winding up is presented in respect of the other party; and (v) any event analogous to the foregoing events occurs to the other party in any jurisdiction.

Under the terms of the agreements:

- (a) Transfingo is responsible for sourcing suitable candidates for supply to customers engaged in aerospace maintenance, repair and overhaul business;
- (b) Upon identification of suitable candidates, our Group will, *inter alia*, prepare the necessary employment contracts, apply for the relevant work passes and arrange for accommodation, travel tickets and insurances. All candidates to be supplied to customers engaged in aerospace maintenance, repair and overhaul business are employed by our Group, and under the terms of the agreement, our Group will administer all employee human resource and payroll matters relating to such candidates; and
- (c) Under the agreement dated 28 October 2014, customers will liaise and contract directly with Transfingo, and our Group will invoice Transfingo for the services rendered by our Group at an agreed fee; or
- (d) Under the agreement dated 1 September 2019, customers will liaise with Transfingo and our Group but would contract directly with our Group. Transfingo will invoice our Group for the services rendered by Transfingo at an agreed fee. The Group entered into the 1 September 2019 agreement with Transfingo as two customers had approached the Group directly for provision of aviation manpower, and as a result, the Group would procure certain services, including the sourcing for aviation technicians from overseas, from Transfingo instead.

The 1 September 2019 agreement is in addition to and does not supersede the 28 October 2014 agreement and provides for the additional scenario as stipulated in sub-paragraph (d) above in response to requirements from customers. All technicians outsourced under the agreement dated 1 September 2019 would be recruited under our Group's foreign worker quota while technicians outsourced under the agreement dated 28 October 2014 would be recruited under Transfingo's foreign worker quota and also our Group's foreign worker quota as and when requested by Transfingo.

Under the scenario as set out in sub-paragraph (c) above, where the customer would pay Transfingo directly and the Group will invoice Transfingo for the technicians outsourced, our Group recognises revenue and cost as follows:

- (a) revenue received from Transfingo; and
- (b) staff costs (being salaries and related staff costs of the technicians employed).

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## GENERAL INFORMATION ON OUR GROUP

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Under the scenario as set out in sub-paragraph (d) above, where the customer pays our Group directly for provision of aviation manpower, our Group recognises revenue and cost as follows:

- (a) revenue received from the customer (being fees for the technicians outsourced);
- (b) service fees paid to Transfingo; and
- (c) staff costs (being salaries and related staff costs of the technicians employed).

In both scenarios, the presentation of revenue and cost of sales would be different but our gross profits would not be materially different and there would not be material adjustment or implication to our Group's operations and financials.

The two (2) agreements allow Transfingo and our Group to broaden our collaboration and accord the flexibility of both methods of collaborations to cater to the needs of our customers. It would depend on the customers' choice to approach and/or sign with Transfingo or our Group and following the customers' choice, the appropriate agreement would apply for our collaboration with Transfingo.

Though our Group intends to continue our collaboration with Transfingo, the agreements dated 28 October 2014 and 1 September 2019 do not prohibit our Group from working with other parties to separately source for aerospace technicians for its customers.

In relation to the supply of manpower to the aviation industry, as at Latest Practicable Date, we have 23 foreign workers out of a total number of 146 workers. We are allowed to employ a further 127 foreign workers based on the number of local workers.

Aside from the aerospace industry, we provide manpower staffing services for other general industries. Workmen supplied by us are typically employed by our Group and placed with our customers. We supply manpower on a contract short-term basis of between three (3) and 12 months.

### *Recruitment and placement services*

Our Group is also a recruitment agency licensed by the MOM. For our recruitment and placement services, we provide matching services for our customers to identify and match suitable candidates, mainly for executive positions. Our Group possess a large database of candidates and have an established network locally and regionally. These enable us to match candidates with the correct skillset and experience required by our customers. As opposed to manpower staffing, candidates are hired directly by our customers. As part of our recruitment and placement services, our Group assists our customers in applying for work permits or employment passes for foreign candidates.

## COMPETITIVE STRENGTHS

We believe the following to be our competitive strengths:

### **We are a multi-services provider of a diverse range of services**

Our Group is a multi-services provider offering a diverse range of services in engineering, transport and security and manpower services which provides us with several competitive advantages.

First, many of our services are commonly required by businesses across different sectors and industries. Being a multi-services provider enables us to identify, capture and develop new business opportunities from an existing customer for our other service offerings. For instance, a customer in the oil and gas industry may require engineering services, in particular, scaffolding solutions, for their fabrication of structures or construction of buildings. At the same time, such customer may require transportation services to transport their workers from dormitories to their worksites, or security systems and/or guard and patrol services for their yards and sites. Depending on their manpower needs, we can also supply

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## GENERAL INFORMATION ON OUR GROUP

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skilled and semi-skilled workers to such customers to perform duties on-site. Being a multi-services provider allows the sharing of information between our different business segments to formulate and develop solutions that cater to our customers' various business needs. With expertise across various sectors, our Group is able to share customer information and pool our vast technical expertise and know-how to develop the most appropriate solutions and services to our customers.

Separately, our ability to offer a diverse range of services allows us to consolidate and deliver services in a convenient and cost-efficient manner as our customers only need to deal with a single point of contact for their various business needs.

During the Period Under Review, the top 50 customers of our Group contributed to 84.1%, 83.4% and 92.5% of our Group's total revenue for FY2018, FY2019 and FY2020, respectively, of which 20.0%, 14.0% and 12.0% have utilised at least two (2) different services from our Group.

### **We emphasise on providing quality services and solutions**

We place emphasis on delivering quality services and solutions to our customers. To this end, we have implemented various systems and business processes to ensure that our Group complies or fulfils industry and regulatory standards for recognition of quality services and processes. Additionally, we have set up occupational health and safety systems to promote safe working practice for our employees. As a testament to the quality of our services and solutions, and the safety standards, our Group has been accredited various awards, including:

- ISO 9001:2015 for quality management systems for provision of mechanical and electrical and instrumentation systems, provision of scaffolding works, provision of civil works, provision of facility management services including security services, cleaning services and provision of bus transportation services;
- ISO 45001:2018 for provision of facility management services including security services, cleaning services and provision of bus transportation services;
- ISO 45001:2018 for occupational health and safety management systems for the installation, testing and commissioning of mechanical and electrical systems, provisions of scaffolding works;
- bizSAFE Star in relation to our engineering, transport and cleaning services and security system;
- Singapore Safety Award 2017 (Bus Fleet) – Merit Award and Singapore Safety Award 2019 (Company Award, Non-Public Bus Fleet) – Merit for our transport services; and
- “Clean Mark” (Silver) award for cleaning services for 2018, 2019 and 2020.

We believe that our emphasis on quality and safety systems and business processes will position us to deliver quality services and solutions, thereby strengthening our Group's position and reputation as a competitive and reliable multi-services provider.

Our Directors believe that quality of our Group's services and solutions has contributed to our Group's ability to retain the business of our existing customers. 64.0% of our top 50 customers in FY2020 were also our top 50 customers in FY2018 and/or FY2019.

### **We have developed a diverse customer base**

We have over the years developed a good network of customers comprising government agencies, multi-national companies, government-linked companies and established large corporations. During the Period Under Review, our customers include those that come from the education, financial services, industrial services, marine and offshore, property management, business services and transport sectors. Our strong track record has enabled us to gain our customers' confidence in our services and this is evident from the long-standing relationships with our customers.

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### **We have an experienced and qualified management team**

We are led by an experienced management team which possesses in-depth knowledge of our Group's multi-services. In particular, our Executive Chairman and CEO, Mr Poh Soon Keng, has more than 20 years of experience leading our business. Our Directors are assisted by a team of experienced and dedicated staff who are entrusted with responsibilities covering different aspects of the business. Together, they have grown our Group from an e-commerce and information technology solutions provider to a multi-services provider with solutions and outsourcing services across three (3) principal sectors, namely engineering services, transport services, and security and manpower services.

Please refer to the section entitled "Directors, Executive Officers and Employees" of this Offer Document for details on the work experience of our Directors and Executive Officers.

Our Group is also supported by a large pool of skilled workforce capable of providing quality management and services. For more information, please refer to the section entitled "Employees" of this Offer Document.

### **We are an established transport service provider**

Our Group diversified into the transport services industry in 2011, and since then we have established ourselves as one of the leading transport services provider offering a range of public and private transport services.

As at Latest Practicable Date, our Group has a fleet of 88 buses with capacities ranging from 10 seaters to 45 seaters. Our current fleet of buses has an average age of five (5) years. We believe that a modern and young fleet promotes lower downtime and higher reliability, as well as greater operational efficiency and lower operating and maintenance cost. By keeping a young and modern fleet, we are able to participate in a wider range of projects where the customers may have stringent requirement on the age of buses and this also enhances our opportunity in securing contracts as customers generally prefer newer vehicles.

As a testament to the quality of our services and the strength of our transport services, in 2014, our Group tendered for and was awarded the LTA's city direct bus contract to service three (3) service routes to the Central Business District. City direct buses provide commuters one-way trips between residential estates and the Central Business District and *vice versa*. In 2015, our Group was awarded another three (3) additional city direct bus routes by the LTA. Since the diversification into transport services, our Group has been awarded numerous contracts by many organisations, including multi-national corporations, Jurong Town Corporation and Singapore government agencies such as the Ministry of Education and other ministerial organisation for provision of transport services including bus services for the National Day Parade. Our Group secured a two-year contract commencing 1 December 2018 for the provision of shuttle services between residential areas within Sentosa, which has been extended for a further two (2) years until 30 November 2022.

Separately, as at the Latest Practicable Date, our Group has achieved S10 financial grading for our transport services, which enables our Group to tender for government contracts in the highest tender capacity category of S\$30.0 million and above. To maintain the financial grading, our Group will have to meet the minimum prescribed NTA and revenue relevant to the grade.

### **We offer a comprehensive range of security solutions and services**

Traditionally, businesses that offer security services focus primarily on the provision and deployment of private security officers as stationary or patrol guards. Our Group is a security system integrator and security personnel provider. We provide a comprehensive suite of security products and systems solutions, as well as the provision and deployment of private security officers, for customers ranging from small businesses to multinational corporations and public sector organisations in Singapore.

Traditional security services rely heavily on human resources to deliver and carry out security measures. Coupled with the use of security systems, such as remote video surveillance, physical access control, intrusion detection and centralised security management, our Group is able to offer automated or semi-automated solutions, and reduce reliance on security officers to undertake various security measures,

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## GENERAL INFORMATION ON OUR GROUP

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without compromising our customers' security needs. Our Directors believe our comprehensive range of security solutions and services provides our Group an advantage over our competitors as it enables us to marry and combine security technology with manpower resources to offer efficient and effective security solutions that caters to the specific needs of our customers.

Additionally, as at the Latest Practicable Date, our Group has achieved a S9 financial grading for our security services which enables our Group to tender for government contracts not exceeding S\$30.0 million. To maintain the financial grading, our Group will have to meet the minimum prescribed NTA and revenue relevant to the grade.

### **We are a pioneer in adopting innovative modular system for our scaffolding services**

We provide two principal types of scaffolding systems, namely, tube and clamp scaffolds system and the modular scaffolds system.

Tube and clamp scaffolds system are a traditional type of scaffolds system comprising three primary components, namely, tubes, clamps (or also known as couplers) and boards. To construct the scaffold, long sections of tubes are connected horizontally and vertically using a series of clamps. Diagonal tubes are fixed to the structure to stabilise the scaffold. The tubes are fitted together to form guard rails and the frame where boards can be fixed. Boards are installed onto the structure and functions as working platforms for workmen. Tubes are typically made from steel and boards can be made from timber or steel. Our Group's tube and clamp scaffolds utilises steel tubes and steel boards.

We also offer the HAKI scaffolds system, which is an innovative modular scaffolds system designed and manufactured by HAKI AB. Modular scaffolds systems are installed using pre-fabricated modules or components that connect to form the scaffold. The HAKI scaffolds system uses fewer components (HAKI scaffold structure is built from seven (7) basic components) and requires no tools for assembly, which in turn provides the following key advantages:

- (a) The installation and setting up of a HAKI scaffold require less manual handling, thus reducing occurrence of accidents. Further, as the HAKI scaffolds system requires no tools for installation, and uses virtually no fittings, there is lower risk of falling objects and accidents and injuries to workmen;
- (b) The HAKI scaffolds system is cost-effective as it requires fewer raw materials to produce and is 30% lighter compared to other scaffolds systems. As a result, the HAKI scaffolds system is easier and cheaper to transport than other scaffolds systems. As the HAKI scaffolds system is modular and uses fewer components, the installation also requires less workmen, thereby further reducing costs; and
- (c) The HAKI scaffolds system virtually eliminates the use of fittings, meaning less material movement and manual handling, thus reducing the time it takes to erect or dismantle. For our Group, this also means we may carry out more jobs over a shorter period of time.

Aside from the above, the HAKI scaffolds system includes advanced digital design tools, such as the HAKI Design Tool which allows production of 3D drawings and configuration of scaffolding designs, and the HAKI BIM (Building Information Modelling) which provides more advanced drawing modes, and other features such as computation of the strength of the designed scaffolds structure and design checks for compliance with specifications. These design tools aid the user in cutting down lead time and cost in designing the appropriate scaffolding structures.

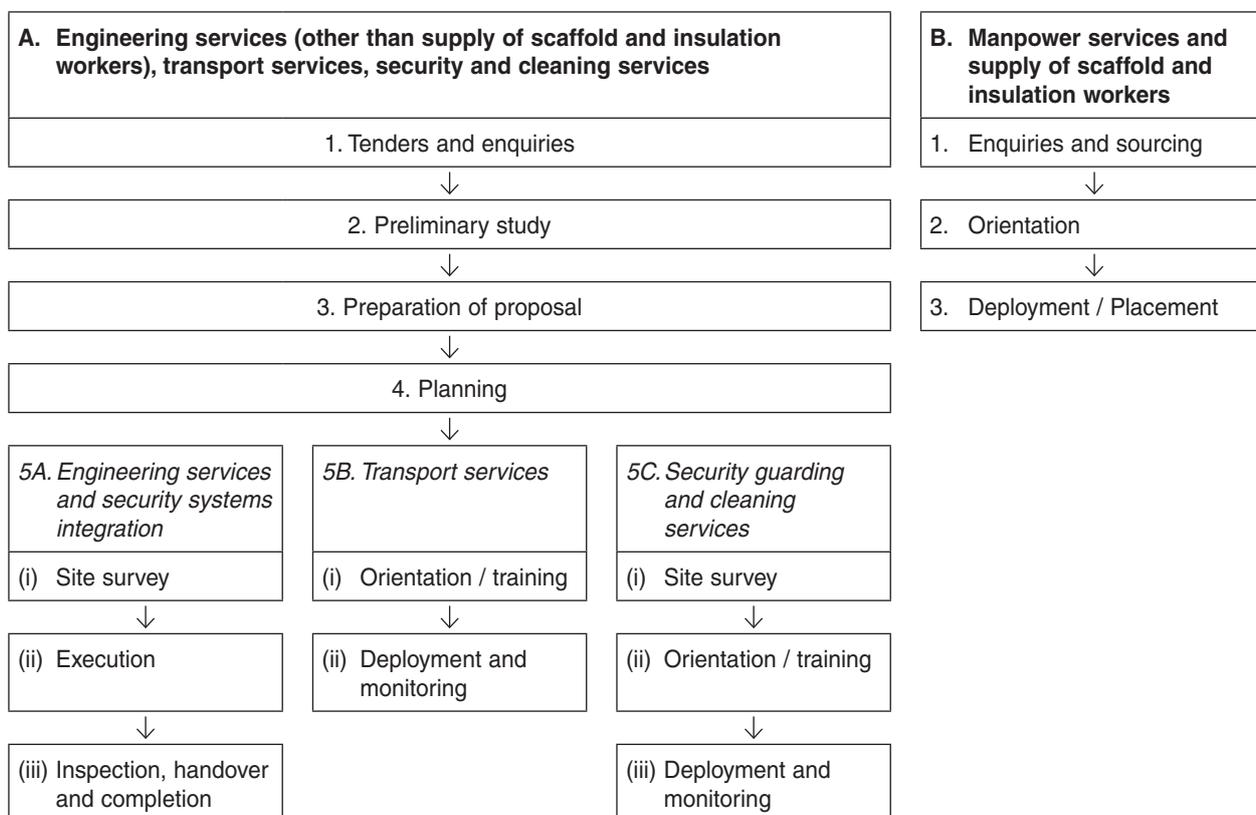
Our subsidiary, SAE Resources, has utilised the HAKI scaffolds system since 2015. We import and supply HAKI scaffolds system components and parts to end-users/customers for their own use. SAE Resources had collaborated with HAKI AB in 2016 to specially design a scaffolds system for the Braveheart event in the Singapore Civil Defence Force Expo Global Firefighter & Paramedic Challenge 2016. The scaffolds structure was erected and dismantled on site within a limited time frame at the Singapore Expo exhibition hall, demonstrating the speed and flexibility of the system. Our Group also conducts joint marketing with HAKI AB from time to time to promote the HAKI scaffolds system.

Our Directors believe that our track record of using the HAKI scaffolds system and our collaboration with HAKI AB places us in the forefront of the scaffolds industry as a pioneer provider of such innovative scaffolds solutions in Singapore.

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### BUSINESS PROCESS

The following diagram sets out the key steps which our Group may take in the delivery of our solutions and services. The actual delivery of our solutions may not always comprise every step or be in the exact order set out in the diagram.



#### **A. Engineering services (other than supply of scaffold and insulation workers), transport services, security and cleaning services**

##### 1. Tenders and enquiries

We regularly search for potential projects and opportunities for our Group's different business segments. From time to time, we will review tender bids and invitations to quote from public and private sectors on platforms such as GeBiz, SESAMi and TenderBoard. We also receive and deal with direct enquiries from customers.

##### 2. Preliminary study

Our Group will study the specifications and requirements of each tender or enquiry and consider if our Group possesses the resources, capability and expertise required to deliver the services. Where more information is required, we may schedule meetings with potential customers to obtain more details on the scope and requirements of the project or services they require. We may also attend tender briefings conducted by the tenderers. During such tender briefings, additional information regarding a project or services under tender would be provided to potential applicants.

As part of our preliminary study, our Group will also prepare an estimate of the costs for the project or services to be delivered. We typically prepare our costing based on an internal estimate of the costs of materials, equipment and manpower to be delivered.

##### 3. Preparation of proposal

Based on our preliminary study, our management team will formulate and prepare a formal proposal setting out our recommended solutions and services to be delivered (including a quotation). For tenders or invitations to quote, we will typically submit a proposal in the prescribed tender form together with supporting documents.

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There may be negotiations to finalise the price and terms of the contract before the contract is awarded.

#### 4. Planning

After the letter of award or contract is received from the customer or if the customer accepts our proposal, we will review and ensure that the project specifications and scope of work to be performed by us are clearly set out in the relevant contracts, and to ensure they are consistent with the proposal submitted by us. Once in order, our management team will prepare an execution plan before commencement of work.

Generally, the execution plan comprises a detailed scope of work for the project or services to be delivered, a programme/schedule setting out the key milestones to ensure that the project or service is executed in a systematic and timely manner, a procurement schedule for major resources required for the project such as materials, manpower and equipment and/or a detailed project budget for cost monitoring. The execution plan and budget are revised and updated from time to time as the project evolves and progresses.

In conjunction with such planning, our Group will, where necessary, commence sourcing and obtaining quotations for materials and subcontractors, as well as allocation and hiring of manpower required to deliver our services. In respect of projects or services relating to our engineering services and security systems, our Group's in-house engineers would commence and undertake the preliminary engineering designs for the scaffolding, electrical, HVAC, refrigeration or security systems required by the customer. Such design may undergo further changes after our Group has conducted a site survey.

We source from and award sub-contracts based on the quality of goods/services, pricing and credit terms. To ensure consistent quality standards, our Group maintains a list of pre-qualified suppliers and sub-contractors, which are evaluated and assessed periodically based on certain criteria such as the ability to meet delivery schedules and project schedules, and the quality of products and services performed.

#### 5A. Engineering services (other than the supply of scaffold and insulation workers) and security systems integration

##### (i) *Site survey*

Our Group will conduct a site survey to identify and decide the most appropriate type of solutions or systems to be used or installed.

For instance, in respect of our scaffolding services involving the installation of scaffolds, whether the tubular scaffolds systems or modular scaffolds systems should be used or the manner and sequence for erecting the scaffolds. Based on the site survey, our qualified scaffold supervisors will prepare an erection procedure plan which lists the sequence and schedule of the erection.

In respect of our other engineering services (other than the supply of scaffold and insulation workers) and security system integration, our team will survey the site, and taking into consideration the site layout, activities and location, determine the appropriate type of insulation or passive fire proofing measures to be utilised, or to update and finalise the engineering design for relevant electrical, HVAC, refrigeration or security systems.

Additionally, our team will conduct an assessment of the risks and determine and design the safety procedures to be followed by our personnel and our customers during the execution of the project or the delivery of our solutions/services.

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(ii) *Execution*

In respect of scaffolding installations, our scaffolds will be delivered from our warehouse to the project site. Depending on the scale of the project, we may procure additional scaffolding components from our suppliers if our existing inventory is not adequate to meet the project requirements. The scaffolds will be erected by trained erectors who are certified by the MOM as accredited training providers under the supervision of our qualified scaffold supervisors.

In respect of insulation and passive fire prevention installation, our Group will place orders from selected specialist suppliers and take delivery of the materials required to insulate or fireproof the site. Upon delivery of the materials, our team will commence the application and installation of the insulation and fireproofing materials. Our project manager will be on-site to supervise and ensure that the insulation and fireproofing materials are applied and installed in accordance with the required specifications while adhering to the agreed deadlines and budget for the project.

In respect of our HVAC, refrigeration, electrical works and security systems integration, such systems are installed on-site. Depending on the systems required, equipment, subcomponents or parts of such systems may be fabricated off-site or purchased before delivery on-site for installation. For each of our projects, the project manager or supervisor assigned by us will manage and supervise the project in accordance with the execution plan. Our project manager/supervisor is also responsible for monitoring and supervising equipment, materials and manpower utilisation. This is to minimise and reduce waste and ensure our resources are deployed efficiently.

In the delivering our services, there may be variations in the scope of work or unforeseen delays. This may be due to factors that are beyond our control. Where delays occur, our manager/supervisor will review and revise the project schedule and budget, and discuss with our customers to resolve the variation of works, and the revised project schedule and budget.

(iii) *Inspection, handover and completion*

In respect of our scaffolding installations, before handover to the customer, completed sections of scaffolding are inspected by our qualified scaffold supervisors to ensure that the scaffolds comply with the MOM requirements. Scaffolds that comply with requirements are certified by attachment of green labels which indicates that the scaffolds are safe for use. Where required by our customer, our trained erectors will also carry out reworks on the scaffolding before handover. While the scaffolds are in use, the scaffolds are re-inspected by our scaffold supervisors every seven (7) days. Inspections are also carried out if the scaffold is exposed to weather conditions that likely has affected its strength or stability or has displaced any parts. After our customer's project is completed, the scaffolds will be dismantled and delivered to our warehouse where they are inspected and maintained in accordance with the code of practice for scaffolds under the Singapore Standard issued by Enterprise Singapore. Where corrosion prevention services are provided in connection with our scaffolding solutions, our Group provides a five-year warranty in respect of the protective coatings applied.

In respect of insulation and passive fire prevention installations, after the insulation or fireproofing work is completed, our Group will conduct an on-site inspection to ensure that the works conform with our customer's specifications. During handover, our customer will also carry out an inspection to ensure that the work undertaken by us meet their requirements. Once our customer is satisfied, the handing over of the site to our customer will be formally documented. Where there are any defects, we may be required to carry out reworks before our customer would accept handover of the site. This is followed by a defects liability period for workmanship, which is typically one (1) year from the handover date.

In respect of HVAC, refrigeration and electrical works and security systems integration, once installation of the systems is complete, our project manager or relevant supervisor will carry out an inspection with the customer to list out and rectify defects identified. Before handover, our Group will also conduct training to our customer to ensure that they are familiar with the

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operation of the relevant systems. Instruction and operational manuals are also prepared and delivered to our customer. Thereafter, the project manager or supervisor will prepare the necessary documentation to obtain the certificate of completion from the customer. This is followed by a defects liability period for workmanship, which is typically one (1) year from the project handover date.

### 5B. Transport services

#### (i) *Orientation/training*

Before the initial deployment of our buses, each designated driver will undergo an orientation/training programme whereby they will be briefed on the route, daily schedules and pick-up points or terminus, as well as any other specific requirements of our customer. New drivers also undergo training to ensure that they are familiar with the vehicles they are operating and our Group's safe work practices and other documented policies, procedures and additional information required for them to carry out their duties.

All drivers are issued with a company handbook containing policies, procedures and additional information required for them to carry out their duties in line with company policy.

#### (ii) *Deployment and monitoring*

Our buses will be deployed based on the roster and schedule drawn up by our Group during the project planning phase. Our transport services operation team will monitor the status of our buses from our bus command centre to ensure our buses are deployed on time and arrive at each pick-up point or terminus in a timely manner. Our team at the bus command centre also deals with any disruptions to our transport services due to accidents or breakdowns and will arrange for the deployment of replacement buses, as well as coordinate service personnel to conduct on location repairs or to deliver the out-of-service buses to repair centres.

### 5C. Security guarding and cleaning services

#### (i) *Site survey*

Our Group will conduct a site survey to develop a detailed deployment plan (including rosters and schedules) for our private security officers and cleaning specialists, and the necessary equipment to carry out their duties.

#### (ii) *Orientation/training*

Before the initial deployment, the designated private security officers and cleaning specialists will undergo an orientation/training programme whereby they will be briefed on their scope of work, daily schedule and site layout, as well as any other specific requirements of our customer.

In particular, for our private security officers, prior to being formally deployed at a worksite, they will spend between one (1) to three (3) days of on-the-job training to familiarise themselves with the requirements of the worksite and the likely site-related issues that may arise.

#### (iii) *Deployment and monitoring*

Once our private security officers and cleaning specialists have gone through the relevant orientation/training programme and have familiarised themselves with their respective roles, they will be deployed and takeover the worksite in accordance with the deployment plan.

In respect of our security guarding services, our Group's designated operation executives are in charge of monitoring and supervising the deployed private security officers. Such operation executives will conduct daily monitoring of the private security officers to ensure that they report to duty and conduct patrols in a timely manner and in accordance with the rosters/schedules. Our operation executives are also involved in liaising with our customers and dealing with on-site security incidents or breaches.

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## GENERAL INFORMATION ON OUR GROUP

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In respect of our cleaning services, our Group's designated cleaning supervisors will monitor day-to-day progress of our cleaning schedule. The cleaning supervisors are also in charge of liaising with our customers and dealing with any on-site work incidents or disruptions, including arranging for additional cleaning specialists or the use and deployment of equipment, to ensure that our cleaning services meet the standards required by our customers.

Upon completion of our contract, we will return the worksite to our customers.

### **B. Manpower services**

#### **1. Enquiries and sourcing**

Our Group receives enquiries from our customers from time to time for their manpower and recruitment/placement needs. Depending on the nature of the enquiries received, our Group will either source and supply the required workmen and labourers or provide matching services for our customers to identify suitable candidates to fill the available position.

Workmen and labourers supplied by us are typically employed by our Group and are sourced from our existing pool of workmen and labourers. If we do not possess the workmen or labourers required by our customers, we may source for suitable workmen and labourers using our Group's database and extensive local and regional network. Based on our customer's requirements, we will prepare a proposal setting out the work scope, details and number of workmen to be supplied, as well as, costs and duration of the supply. If accepted by our customers, we will enter into a formal staffing contract with our customer.

Our Group has entered into agreements for contract staffing services dated 28 October 2014 and 1 September 2019 with Transfingo, pursuant to which Transfingo and our Group will collaborate to supply manpower to customers engaged in aerospace maintenance, repair and overhaul business. In respect of the collaboration with Transfingo, Transfingo is responsible for sourcing suitable candidate for supply to customers engaged in aerospace maintenance, repair and overhaul business. Our Group will, *inter alia*, prepare the necessary employment contracts, apply for the relevant work passes and arrange for accommodation, travel tickets and insurances, as well as deal with employee human resource and payroll matters relating to such candidates. Customers will liaise with Transfingo and our Group and will contract directly with either Transfingo or our Group.

Candidates for our recruitment search and placements services are hired directly by our customers.

#### **2. Orientation**

For our manpower staffing services, our Group will conduct orientation programmes to ensure that the workmen and labourers supplied by us are familiar with their roles and work scope. Other training programmes, including on-the-job training, may be conducted by the customers once the workmen and labourers are deployed.

No orientation programme is conducted for our recruitment search and placement services. We may, from time to time, brief potential candidates on the roles offered by our customers and prepare them for interviews.

#### **3. Deployment/Placement**

For our manpower staffing services, after orientation, we will deploy our workmen and labourers to our customer's worksite for the duration of the staffing contract.

For candidates matched through our recruitment search and placement services, our customers will enter into employment contracts directly with such candidates. As part of our recruitment search and placement services, our Group assists our customers in applying for work permits or employment passes for foreign candidates.

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## GENERAL INFORMATION ON OUR GROUP

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### RESEARCH AND DEVELOPMENT

We currently do not engage in any extensive research and development activities as it is not in the nature of our business to engage in such activities.

To keep abreast of the latest technological developments and trends in the industry, the Group attended relevant trade shows and conferences. These include the Bauma CHINA in 2018. Bauma CHINA is Asia's largest trade show for the construction industry and is a platform for product presentation and business networking.

To source and network with potential technology suppliers, our Group attended TechInnovation in 2017 and 2018. Organised by the Intellectual Property Intermediary (IPI) of the MTI, TechInnovation is a premier technology-to-industry matching event that brings together international technology providers and enterprises to collaborate and accelerate the commercialisation of technology through open innovation. Our Group also attended AWS Summit Singapore for 2017, 2018 and 2019 to keep abreast with cloud computing and the Internet of Things (IOT). The conference also provided our Group with opportunities to connect and collaborate with information technology vendors.

### SALES AND MARKETING

Our Group is primarily engaged in business-to-business dealings. Accordingly, our marketing efforts are mainly conducted via business networking. To market our services and solutions, we regularly participate in major networking meetings of business membership organisations, such as the Singapore Business Federation, the Association of Process Industry, the Singapore Chemical Industry Council, the Association of Singapore Marine Industries, the American Petroleum Institute, the Security Association Singapore, the Association of Singapore Aerospace Industries and the Access & Scaffold Industry Association.

As part of our sales and marketing efforts, our Group is registered with various tender platforms such as GeBiz, SESAmi and TenderBoard, where our Group is able to monitor business and tender opportunities from time to time.

As our Group is a multi-services provider, marketing information and business opportunities are also shared across our various business divisions to identify and capture potential business opportunities. Internally, weekly meeting within divisions and monthly meetings across all functions are carried out to share experiences and information.

The overall marketing and business development activities for our Group are spearheaded by the head of each our Group's respective business divisions. All of them are actively involved in government and private tenders, requests for quotation, the promotion of our solutions and services to existing and new customers. They are responsible for generating new customer accounts, fostering long-term and strong relationships with existing customers and generating and concluding new sales and service contracts. They also attend to customers' enquiries and arrange for the submission of timely sales proposals to our customers according to their specifications and requirements. We believe that it is important for us to leverage on their experience and extensive marketing network to monitor the market for business opportunities.

As at the Latest Practicable Date, our Group has five (5) sales staff who support our sales and marketing efforts for our transport services, security services and cleaning services.

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## GENERAL INFORMATION ON OUR GROUP

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### Branding

Our Group's brand logo is formed by seven green circles in a structure similar to that of the Chinese character “人” meaning mankind or human beings. The logo symbolises that the core business of our Group is about people and always in its people.



This brand image is consistent in terms of colour and relative sizes across all publicity materials from our Group's website to employees' name cards to marketing powerpoint slides and the respective company letterheads. The same standard applies on all our Group's buses.

### SEASONALITY

Our school bus services are not in operation during school holidays, such as the June and December school breaks. Additionally, our premium bus services see lower ridership during the periods around the festive seasons, such as Christmas in December or the Chinese Lunar New Year, as commuters commonly take leave or leave the country for holidays during such times. Similarly, requests for manpower staffing services also reduce during such festive seasons.

Aside from the foregoing, generally our business is not subject to any significant seasonal fluctuations that will affect our business and operations.

### QUALITY CONTROL AND ASSURANCE

We are committed to providing quality solutions and services. As a testimony to our commitment to quality service, we are certified to ISO 9001:2015 for all our business segments. Our employees are trained to maintain the quality system and conduct regular internal audits for non-compliance. External consultants are engaged for annual surveillance to validate our quality system. We believe in cultivating long-term relationships with our customers as they provide consistent feedback to us to enable us to maintain and offer high standards of quality services.

A feedback system has also been implemented for all our business segments, where our customers are required to participate in customer satisfaction surveys to enable us to track our service quality periodically. Our senior management will also conduct meetings with customers to collate feedback on our solutions and services.

### Engineering services

(a) *Customer Requirements*

Before commencing a project, we will undertake preliminary studies and meet with the customers to confirm their requirements, determine the scope of work and the quality expectations.

(b) *Engineering Design Reviews*

For major projects with design requirements, we put in place design controls to assure the quality of designs. These are documented in a design plan with interim reviews. The last review is the design output review which must be approved by the customer. All appropriate design records are retained with clear records of key design processes and relevant data.

(c) *Hiring and Training*

We have stringent hiring processes to ensure that our workers possess the necessary expertise, academic and regulatory qualifications, experience and skillset to perform the duties required for the delivery of our services. External and internal training are also provided to ensure that our workers perform their work in accordance with legal and regulatory requirements.

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## GENERAL INFORMATION ON OUR GROUP

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(d) *Inspection and Maintenance*

We carry out inspection at various stages of assembly, installation and supply. Toolbox meetings are conducted every morning, prior to work commencement.

(e) *Compliance with Certification*

Our Group has obtained ISO 9001:2015 and ISO 45001: 2018 certifications, which demonstrates our implementation and compliance with internationally recognised quality management systems, as well as occupational health and safety standards.

(f) *Customer Feedback*

We conduct regular surveys with our customers on the quality of services provided. In the unlikely event of a complaint, we have a formal procedure to deal effectively and quickly with any client or customer dissatisfaction.

(g) *Weekly Progress Reports and Meetings*

Our weekly operations meeting covers customers' feedback and complaints. Any complaints are dealt with expeditiously.

### **Transport services**

As at the Latest Practicable Date, we operate 88 buses with capacities ranging from 10 seaters to 45 seaters. We have a quality assurance system for our transport services business as follows:

(i) *Customer Requirements*

Prior to entering into a service contract, we meet with the customers to confirm their requirements, determine the scope of work and the quality expectations.

(ii) *Regular Inspections*

All buses are equipped with seat belts, fire extinguisher and first aid box.

Our operation executives conduct quarterly inspections to ensure that our drivers wear the uniforms supplied by our Company, fire extinguishers are valid and the buses are clean.

We check the driving licence of all our drivers on a quarterly basis to ensure that the licences are current and valid for the type of vehicle they are likely to drive. They are also screened for traffic offences, demerit points and past driving records.

All inspections are documented to ensure that we monitor the areas which we believe need to be improved. We also encourage our drivers to highlight areas which require improvements.

(iii) *Safe Work Practices*

We schedule regular break times for drivers and as a policy, maximum driving-time per trip is limited to two (2) hours.

Additionally, we have a strict policy against drink driving and driving while on medication.

(iv) *Documented Policies and Procedures*

All drivers are issued with a company handbook containing policies, procedures and additional information required for them to carry out their duties in line with company policy.

(v) *Hiring and Training*

All our bus drivers and bus attendants are required to qualify and obtain the necessary General Bus Driver's Vocational Licence and Bus Attendant's Vocational Licence, respectively, issued by the LTA. Vocational licences granted by the LTA ensure that drivers and bus attendants of public service vehicles are properly trained. They also bring an improved professional image to the different professions.

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## GENERAL INFORMATION ON OUR GROUP

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Before the initial deployment of our buses, each designated driver will undergo an orientation/training programme whereby they will be briefed on the route, daily schedules and pick-up points or terminus, as well as any other specific requirements of our customer. New drivers also undergo training to ensure that they are familiar with the vehicles they are operating and our Group's safe work practices and other documented policies, procedures and additional information required for them to carry out their duties.

External and internal training are provided to ensure that our drivers perform their duties in accordance with legal requirements and our quality standards. Our drivers are provided with relevant training, such as Defensive Driving Course, Vehicle Familiarisation, Route Orientation and Planning and Basic Vehicle Checks, and procedures on the handling of passengers.

Drivers involved in serious or multiple accidents would be asked to attend the Defensive Driving Course or other equivalent or relevant courses.

(vi) *Maintenance*

Our buses undergo regular servicing to maximise reliability and safety.

(vii) *Weekly Progress Reports and Meetings*

We conduct weekly operations meeting which include the review of customers' feedback and complaints. Any complaints are dealt with expeditiously.

### **Security and manpower services**

#### *Security Services*

In addition to the checks conducted by the PLRD, we conduct background checks on the private security officers prior to recruitment to ensure that they do not have past criminal or negative employment history. Such screening checks help to ensure that our private security officers are of good character and standing.

In compliance with conditions pertaining to the licence to operate a security agency, our Group ensures that all private security officers above the age of 60 years are certified on an annual basis by a registered medical practitioner to be medically fit for work as a private security officer before being deployed.

Prior to starting work at a worksite, our security officers spend one (1) to three (3) days for on-the-job training to familiarise themselves with the requirements of the worksite and the likely site-related issues that may arise. Every new private security officer is also briefed on his or her responsibilities. External and internal training are provided to ensure that they perform their duties in accordance with our standards. For instance, our private security officers undergo regular refresher courses, as well as WSQ courses conducted by external third parties to update them on essential skills, such as counter terrorism.

Our private security officers are managed and supervised by a senior security team comprising an operations director, an operations manager and three (3) operations executives. As at the Latest Practicable Date, the members of our senior security team are either former Singapore Police Force personnel or Singapore Armed Forces military servicemen.

In addition to the above, we also offer a web-based attendance taking and guard tour system to our customers. The web-based application gathers data from various security checkpoints and sends the data to a cloud platform to be accessed by the operation executives from the security office or via their smartphone. The data captured by the system is analysed daily by the operations director for non-compliance and quality issues. Incidents report can also be sent via the web-based system.

In compliance with the Employment Act, we had put in place the following measures:

- (1) The Employee Handbook provides a policy to state that "*No employee shall be required to work more than 12 hours a day except under special circumstances*".

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## GENERAL INFORMATION ON OUR GROUP

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- (2) Working schedule for all staff is stipulated in the employment contract acknowledged by the respective staff. Overtime hours are scheduled by the operation executives/managers and/or supervisors. The Group briefs all managers and supervisors for each business segment periodically on the provisions of the EA.
- (3) The human resources executive of each of our Group's respective business divisions maintains a timesheet for the hours worked by each employee with separate column maintained for overtime hours.
- (4) The Group maintains an Employer's Guide to Labour Standards and Manpower Policy stipulating the requirements under the applicable laws and regulations, including the restrictions on working hours.

### *Cleaning Services*

We developed a quality assurance system for the cleaning business as follows:

(a) *Site Visits*

Prior to commencing our cleaning services, we conduct site visits to develop a detailed deployment plan (including rosters and schedules) for our cleaning, and the necessary equipment to carry out their duties.

(b) *Selection of Sub-Contractors*

When using subcontractors, we have a strict vendor assessment system based on experience, expertise, service quality and past performance. We conduct briefings for our sub-contractors prior to starting work to ensure that they are aware of our work restrictions and their job scope.

(c) *Regular Inspections*

During the course of work, our operation managers conduct regular walk-through inspections of facilities to ensure that our employees perform their duties with care and diligence and adhere to our standards. Inspections are documented to ensure that we monitor the areas which we believe need to be improved. We also encourage our employees to highlight areas which require improvement, and conduct regular surveys with our customers for regular updates on the solutions and services provided.

(d) *Weekly Progress Reports and Meetings*

Our weekly operations meeting covers customers' feedback and complaints. Any complaints are dealt with expeditiously.

### *Manpower Services*

We have established an evaluation process for our foreign technicians and workers prior to selection by our customers. Our overseas recruiters also conduct face-to-face interviews with candidates in their home countries and we allow our customers to conduct interviews with selected candidates in Singapore and abroad.

## GENERAL INFORMATION ON OUR GROUP

### AWARDS AND ACCREDITATIONS

Our commitment to excellence and quality is evidenced by the awards and accreditations which we have received over the years, some of which are set out as follows:

Year of award	Validity	Award/Accreditations	Receiving Group Company	Awarding organisation / corporation	Country of award
2020	N.A.	Ranked 80 in Straits Times' Singapore Fastest Growing Companies	Aedge Holdings	The Straits Times	Singapore
2020	13 March 2020 to 9 December 2020 <sup>(1)</sup>	Clean Mark (Silver Award)	Aedge Holdings	NEA	Singapore
2020	14 October 2020 to 8 June 2023	bizSAFE Star	Aedge Technologies	WSHC	Singapore
2020	9 June 2020 to 8 June 2023	ISO 45001:2018	Aedge Technologies	EQAIMS	Singapore
2020	9 June 2020 to 8 June 2023	ISO 9001:2015	Aedge Technologies	EQAIMS	Singapore
2019	1 January 2020 to 31 December 2020 <sup>(2)</sup>	"C" Grading, Security Agencies Grading Exercise (SAGE) 2019	Aedge Services	PLRD	Singapore
2019	N.A.	Singapore Safety Award 2019 (Company Award, Non-Public Bus Fleet) – Merit	Aedge Holdings	Singapore Road Safety Council	Singapore
2019	7 October 2019 to 2 October 2022	bizSAFE Star	Aedge Holdings	WSHC	Singapore
2019	26 October 2019 to 2 October 2022	ISO 9001:2015	Aedge Holdings	EQAIMS	Singapore
2019	3 October 2019 to 2 October 2022	ISO 45001:2018	Aedge Holdings	EQAIMS	Singapore
2018	N.A.	NS Mark Gold Certificate	Aedge Holdings	MINDEF	Singapore
2018	N.A.	Enterprise 50 Award 2018	Aedge Holdings	KPMG LLP and Singapore Press Holdings Limited	Singapore
2018	1 January 2019 until 31 December 2019	"B" Grading, Security Agencies Grading Exercise (SAGE) 2018	Aedge Services	PLRD	Singapore
2017	5 October 2017 to 25 October 2019	ISO 9001:2015	Aedge Holdings	EQAIMS	Singapore
2017	5 October 2017 to 14 June 2020	ISO 9001:2015	Aedge Technologies	EQAIMS	Singapore
2017	5 October 2017 to 25 October 2019	OHSAS 18001:2007	Aedge Holdings	EQAIMS	Singapore
2017	15 June 2017 to 14 June 2020	OHSAS 18001:2007	Aedge Technologies	EQAIMS	Singapore

## GENERAL INFORMATION ON OUR GROUP

Year of award	Validity	Award/Accreditations	Receiving Group Company	Awarding organisation / corporation	Country of award
2017	N.A.	Singapore Safety Award 2017 (Bus Fleet) – Merit Award	Aedge Holdings	Singapore Road Safety Council	Singapore
2017	N.A.	NS Mark	Aedge Holdings	MINDEF	Singapore
2016	17 November 2016 to 25 October 2019	bizSAFE Star	Aedge Holdings	WSHC	Singapore

**Notes:**

- (1) We have applied for renewal of the award. Our Directors are of the view that there should not be any material difficulties in respect of obtaining such renewal.
- (2) As at the Latest Practicable Date, the PLRD is in the midst of assessing Aedge Services for the Security Agencies Grading Exercise for 2021. Based on previous years, the grading pursuant to such exercise is typically awarded by the PLRD in December.

### LICENCES, PERMITS AND APPROVALS

To the best of our Directors' knowledge, our Company has obtained all the necessary permits, approvals and licences which are material to our business and operations. Save as disclosed in the section entitled "Risk Factors" and "Summary of Relevant Laws and Regulations" as set out in Appendix B of this Offer Document, we are not subject to any government regulations in the countries where we operate other than those generally applicable to companies and businesses in such countries, which will have a material effect on our business operations.

The following are the licences, permits and approvals issued to our Group which are material for the business operations of our Group:

Licence, permit or approval	Validity Period	Issuing Authority
Approved Scaffold Contractor (084-010-00447)	N.A.	MOM
Licence to Operate as a Security Service Provider (L/PS/000427/2020P)	4 July 2020 to 3 July 2021	PLRD
Licence to Operate a Security Agency (L/PS/000304/2020)	12 June 2020 to 11 June 2021	PLRD
Licence to Operate an Employment Agency (17C8560) Licence type: Comprehensive (All)	2 April 2020 to 1 April 2023	MOM
Licence to Carry Out Cleaning Business (NEA190422/9323E/R06)	27 March to 9 December 2020 <sup>(1)</sup>	NEA
Registered Workhead to provide Housekeeping, Cleansing, Desilting and Conservancy Services (MW02 – Grade L2)	Valid until 1 January 2021 <sup>(2)</sup>	BCA
Registered Workhead to provide Landscaping (MW03 – Grade L1)	Valid until 1 January 2021 <sup>(3)</sup>	BCA
Registered Workhead to provide Air-Conditioning, Refrigeration & Ventilation Works (ME01 – Grade L1)	Valid until 1 June 2023	BCA
Registered Workhead to provide Communications and Security System (ME04 – Grade L1)	Valid until 1 June 2023	BCA

## GENERAL INFORMATION ON OUR GROUP

Licence, permit or approval	Validity Period	Issuing Authority
Registered Workhead to provide Electrical Engineering (ME05 – Grade L1)	Valid until 1 June 2023	BCA
General Builder Class 1 Licence (GB1)	Valid until 31 December 2020 <sup>(3)</sup>	BCA
Notification of factory premise for The Index, Unit 01-53,110 Tuas South Avenue 3 Singapore 637369	From 15 October 2019	MOM
Localised Private Network (Multi-Channel Radio-Com Networks and Systems) Licence	From 1 June 2020 to 31 July 2021	IMDA
Public Service Vehicle Licence (20190003A)	From 1 January 2019 to 31 December 2020 <sup>(2)</sup>	LTA
Public Service Vehicle Licence (20190004A)	From 1 January 2019 to 31 December 2020 <sup>(2)</sup>	LTA
Public Service Vehicle Licence (20190005A)	From 1 January 2019 to 31 December 2020 <sup>(2)</sup>	LTA
Public Service Vehicle Licence (20190006A)	From 1 January 2019 to 31 December 2020 <sup>(2)</sup>	LTA
Public Service Vehicle Licence (20190007A)	From 1 January 2019 to 31 December 2020 <sup>(2)</sup>	LTA
Public Service Vehicle Licence (20190008A)	From 1 January 2019 to 31 December 2020 <sup>(2)</sup>	LTA
Public Service Vehicle Licence (20190009A)	From 1 January 2019 to 31 December 2020 <sup>(2)</sup>	LTA
Public Service Vehicle Licence (20190142A)	From 1 January 2019 to 31 December 2020 <sup>(2)</sup>	LTA
Public Service Vehicle Licence (20190143A)	From 1 January 2019 to 31 December 2020 <sup>(2)</sup>	LTA

**Notes:**

- (1) We have applied for renewal of the licence. Our Directors are of the view that there should not be any material difficulties in respect of obtaining such renewal.
- (2) We intend to apply for renewal of the licence closer to its expiry date. Our Directors are of the view that there should not be any material difficulties in respect of obtaining such renewal.
- (3) We do not intend to renew this licence upon its expiry as we do not require this licence for our current business operations.

As at the Latest Practicable Date, none of the aforesaid licences, permits and approvals has been suspended, revoked or cancelled, and to the best of our Directors' knowledge, they are not aware of any facts or circumstances which would cause such licences, permits and approvals to be suspended, revoked, or cancelled, as the case may be, or cause any applications for, or renewal of, any of these licences, permits and approvals to be rejected by the relevant authorities. The Group has not experienced any difficulty in renewing the aforesaid licences, permits and approvals in the past.

## GENERAL INFORMATION ON OUR GROUP

### INTELLECTUAL PROPERTY

As at the Latest Practicable Date, we have registered the following trademark:

Trademark	Country of registration	Class	Trademark number	Registration date	Expiry date
 AEDGE	Singapore	35, 37, 39 and 45	40201820007Q	26 Mar 2019	3 Oct 2028

Save as disclosed herein, our business and profitability are not materially dependent on any other intellectual property.

### PROPERTIES AND FIXED ASSETS

As at the Latest Practicable Date, our Group does not own any property.

As at the Latest Practicable Date, our Group leases the following properties:

Location	Tenure	Approximate gross area (sq m)	Use of property	Lessor
5 Jalan Papan #17-11, Singapore 619396	1 December 2020 – 30 November 2021 <sup>(4)</sup>	– <sup>(2)</sup>	Dormitory	Centurion – Lian Beng (Papan) Pte Ltd
5 Jalan Papan #15-12, Singapore 619396	1 February 2020 – 31 January 2021 <sup>(3)(4)</sup>	– <sup>(2)</sup>	Dormitory	Centurion – Lian Beng (Papan) Pte Ltd
5C Jalan Papan #09-15, Singapore 619420	18 September 2020 – 17 September 2021 <sup>(4)</sup>	– <sup>(2)</sup>	Dormitory	Centurion – Lian Beng (Papan) Pte Ltd
5C Jalan Papan #09-16, Singapore 619420	18 September 2020 – 17 September 2021 <sup>(4)</sup>	– <sup>(2)</sup>	Dormitory	Centurion – Lian Beng (Papan) Pte Ltd
5C Jalan Papan #09-25, Singapore 619420	25 September 2020 – 24 September 2021 <sup>(4)</sup>	– <sup>(2)</sup>	Dormitory	Centurion – Lian Beng (Papan) Pte Ltd
5 Jalan Papan #14-05, Singapore 619396	1 August 2020 – 31 July 2021 <sup>(4)</sup>	– <sup>(2)</sup>	Dormitory	Centurion – Lian Beng (Papan) Pte Ltd
5C Jalan Papan #10-19, Singapore 619420	25 September 2020 – 24 September 2021 <sup>(4)</sup>	– <sup>(2)</sup>	Dormitory	Centurion – Lian Beng (Papan) Pte Ltd
5C Jalan Papan #10-16, Singapore 619420	18 September 2020 – 17 September 2021 <sup>(4)</sup>	– <sup>(2)</sup>	Dormitory	Centurion – Lian Beng (Papan) Pte Ltd
BLK B #02-15 of State Land Lot 05127V(PT) at 51 Admiralty Road West Singapore 757443	28 March 2020 – 27 March 2021	– <sup>(2)</sup>	Dormitory	Aik Chuan Construction Pte Ltd
Block 4009 Ang Mo Kio Avenue 10 #04-32 Techplace I Singapore 569738	15 November 2020 – 14 November 2023 <sup>(3)(5)</sup>	117.00	Office	HSBC Institutional Trust Services (Singapore) Limited as Trustee of Ascendas Real Estate Investment Trust

## GENERAL INFORMATION ON OUR GROUP

Location	Tenure	Approximate gross area (sq m)	Use of property	Lessor
Block 4009 Ang Mo Kio Avenue 10 #04-33 Techplace I Singapore 569738	29 June 2020 – 28 June 2023 <sup>(5)</sup>	153.40	Office	HSBC Institutional Trust Services (Singapore) Limited as Trustee of Ascendas Real Estate Investment Trust
Block 4008 Ang Mo Kio Avenue 10 #04-13 Techplace I Singapore 569625	1 November 2019 – 31 October 2022 <sup>(5)</sup>	176.60	Office	HSBC Institutional Trust Services (Singapore) Limited as Trustee of Ascendas Real Estate Investment Trust
The Index, Unit 01-53 110 Tuas South Avenue 3 Singapore 637369	1 June 2020 – 31 May 2021 <sup>(6)</sup>	462	Factory	Grow-Tech Properties Pte Ltd
Pte Lot A3007662 Tembusu Crescent Jurong Island	25 March 2019 – 24 March 2021 <sup>(7)</sup>	1,000	Storage of scaffold and insulation materials	JTC Corporation
Pte Lot A3007663 Tembusu Crescent Jurong Island	25 March 2019 – 24 March 2021 <sup>(7)</sup>	1,000	Storage of scaffold and insulation materials	JTC Corporation
Pte Lot A3008098 Tembusu Crescent Jurong Island	7 October 2019 – 30 June 2021 <sup>(7)</sup>	2,000	Storage of scaffolds, insulation and refractory materials and equipment	JTC Corporation

**Notes:**

- (1) Under the terms of the lease agreements for the properties in the above table, the lessor may re-enter and take possession of the relevant property under certain circumstances, whereupon the lease will come to an end immediately or the lessor may be entitled terminate the lease by giving notice in writing (as the case may be).
- (2) Not stated in the lease agreement.
- (3) We intend to renew the lease closer to the expiry date. Our Directors are of the view that there should not be any material difficulties in respect of obtaining such renewal.
- (4) The lease agreement may be unilaterally terminated by the lessor in the event the lessor determines at its sole and absolute discretion that (a) the development, the building or any part thereof is to be renovated, retrofitted, refurbished and/or altered; or (b) there be a change of use of the premises or that part of the building in which the premises is situated. Our Directors are of the view that any unilateral termination by the lessor will not have any material impact on our operations as we believe we will be able to secure leases for alternative premises in such event.
- (5) The lease agreement may be unilaterally terminated by the lessor in the event any government authority compulsorily takes over or issues any notice, order or gazette notification to take over any part of the building. Our Directors are of the view that any unilateral termination by the lessor will not have any material impact on our operations as we believe we will be able to secure leases for alternative premises in such event.
- (6) The lease agreement may be unilaterally terminated by the lessor by giving six (6) months' notice in the event the lessor in its sole and absolute discretion decides to: (a) redevelop, renovate, retrofit, refurbish, reconfigure or alter the building (including the plant and facilities in it) or any part thereof; or (b) change the trade-mix or use of the building or any part thereof. Our Directors are of the view that any unilateral termination by the lessor will not have any material impact on our operations as we believe we will be able to secure leases for alternative premises in such event.
- (7) The agreement may be unilaterally terminated by either party by giving one (1) month notice. Our Directors are of the view that any unilateral termination by the lessor will not have any material impact on our operations as we believe we will be able to secure leases for alternative premises in such event.

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### Utilisation

The table below sets out certain information with respect to the capacity and utilisation rate of our buses:

FY2018		FY2019		FY2020	
Average number of buses owned <sup>(1)</sup>	Utilisation rate <sup>(2)</sup> (%)	Average number of buses owned <sup>(1)</sup>	Utilisation rate <sup>(2)</sup> (%)	Average number of buses owned <sup>(1)</sup>	Utilisation rate <sup>(2)</sup> (%)
82	82.9	89	77.9	88	67.8

#### Notes:

(1) The average number of buses owned for the relevant financial year is based on the aggregate number of buses as at each month-end of the relevant financial year divided by 12 months.

(2) The utilisation rate of our buses is computed as follows:

**Actual annual revenue / Capacity annual revenue**

where,

“**Actual annual revenue**” is based on the revenue from transport services for the relevant financial year; and

“**Capacity annual revenue**” is the average number of buses owned for the relevant financial year multiplied by the maximum amount of revenue that could be generated by each bus per year. The maximum amount of revenue that could be generated by each bus per year is estimated by taking the number of trips a bus could run (taking into consideration changeover times for routes and with monthly downtime for repairs and maintenance) multiplied by per trip rate quoted to our customers.

There is a decrease in utilisation rate from FY2018 to FY2019 as the Group purchased 10 buses to avoid the price increase expected after the implementation of new emission standards by the LTA from 1 January 2018. The utilisation rate would usually lag behind the fleet expansion in view of the time-to-market process and the time needed to secure additional new contracts. In FY2020, our utilisation rate decreased due to the reduced demand arising from the “circuit breaker” measures imposed by the Singapore Government in response to the COVID-19 outbreak.

### Fixed Assets

We own material fixed assets comprising mainly motor vehicles, scaffold equipment and machinery and equipment. As at the end of FY2020, our fixed assets had a net book value of approximately S\$11.54 million.

Save as disclosed in the section entitled “Risk Factors” of this Offer Document and “Summary of Relevant Laws and Regulations” as set out in Appendix B of this Offer Document, as at the Latest Practicable Date, to the best of our Directors’ knowledge, there are no regulatory requirements or environmental issues that may materially affect our Group’s utilisation of the above properties or any fixed assets.

### INSURANCE

As at the Latest Practicable Date, we maintain the following insurance policies:

- (a) work injury compensation insurance for our employees, including our foreign workers;
- (b) public liability insurance;
- (c) foreign worker medical policy; and
- (d) motor vehicles (third-party risks and compensation).

Our Group has various division heads who are responsible for, among others, the risk assessment of our Group business divisions. They assist in reviewing and monitoring the breadth and adequacy of our insurance policies from time to time, and make recommendations to our Directors accordingly.

## GENERAL INFORMATION ON OUR GROUP

Having regard to the industry standards and business practices, our Directors are of the view that the present insurance coverage maintained is adequate for our existing operations. However, significant damage to our assets and operations may still have a material adverse effect on the results of our operations or financial condition. If such events are to occur, our business may be materially or adversely affected. Please refer to the section entitled “Risk Factors” of this Offer Document for more details. We have not experienced any difficulties obtaining or renewing our insurance policies, or on realising claims under any of our insurance policies.

### MAJOR CUSTOMERS

The table below sets out the list of customers who accounted for 5.0% or more of our Group’s total revenue for the Period Under Review:

Customer	Services supplied	Percentage of revenue during Period Under Review (%)		
		FY2018	FY2019	FY2020
Transfingo	Manpower services, Transport services	21.5	25.4	9.3
LTA	Transport services	9.1	3.5	0.3
Customer A (Government Agency)	Transport services	1.0	5.2	6.8
Singapore Aero Support Services Pte. Ltd.	Manpower services	–	–	16.3

We have a wide base of customers from various sectors in the economy, including companies in business services, companies in the industrial and marine and offshore sectors, and government bodies.

The revenue contribution from our customers varies from year to year as a result of the nature of our business being conducted on a project basis, as well as on short term contracts of mainly between one (1) to two (2) years. Therefore, we may not secure similar projects in terms of size and scope with the same customer year-on-year.

In connection with our manpower staffing services, our Group has entered into agreements for contract staffing services dated 28 October 2014 and 1 September 2019 with Transfingo, pursuant to which Transfingo and our Group will collaborate to supply manpower to customers engaged in aerospace maintenance, repair and overhaul. During the Period Under Review and under the agreement dated 28 October 2014, such customers would liaise and contract directly with Transfingo, and our Group would invoice Transfingo for the services rendered by our Group at an agreed fee. Our Group’s sales to Transfingo increased from 21.5% of total revenue in FY2018 to 25.4% in FY2019, but decreased to 9.3% in FY2020 as under the agreement dated 1 September 2019, some of the customers’ contracts would now be directly entered into with our Group, rather than through Transfingo. One such customer which contracted directly with our Group after 1 September 2019 was Singapore Aero Support Services Pte. Ltd., which became our major customer in FY2020 as a result of such arrangement. Please refer to the sections entitled “Risk Factor – We deal primarily with Transfingo, our major customer, for our manpower services” and “General Information on Our Group – Business Overview” of this Offer Document for further details.

Our Group’s sales to the LTA decreased from 9.1% of total revenue in FY2018 to 3.5% in FY2019 and 0.3% in FY2020, mainly due to the cessation of city direct bus services by the LTA in December 2018, and higher total revenue in FY2019.

Our Group’s sales to Customer A increased from 1.0% of total revenue in FY2018 to 5.2% in FY2019 and 6.8% in FY2020 due to an increase in demand for our transport services.

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## GENERAL INFORMATION ON OUR GROUP

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Save as disclosed above, there was no other customer which accounted for more than 5.0% of our Group's revenue for the Period Under Review, and our business and profitability are not materially dependent on any single customer.

To the best our Directors' knowledge and belief, we are not aware of any information or arrangement, which would lead to a cessation or termination of our current relationship with any of our major customers.

None of our Directors, CEO, Substantial Shareholders, Controlling Shareholders and/or their respective Associates has any interest, direct or indirect, in any of the above major customers.

For more information on the revenue generated by our Group, please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – Overview – Revenue" of this Offer Document.

### MAJOR SUPPLIERS

During the Period Under Review, we do not have any supplier or subcontractor that accounted for more than 5.0% of our total cost of sales. We source for supplies and supporting services from a wide base of suppliers and subcontractors. Purchases from suppliers or subcontractors vary year to year due to the nature of our business, and we may not have similar purchases from the same supplier or subcontractor year-on-year. As such, our business and profitability are not materially dependent on any major supplier or subcontractor.

To the best of our Directors' knowledge and belief, we are not aware of any information or arrangement, which would lead to a cessation or termination of our current relationship with any of our suppliers.

Save as disclosed in the section entitled "Interested Person Transactions" of this Offer Document, none of our Directors, CEO, Substantial Shareholders, Controlling Shareholders and/or their respective Associates has any interest, direct or indirect, in any of our suppliers.

For more information on our cost of sales, please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – Overview – Cost of Sales" of this Offer Document.

### CREDIT MANAGEMENT

#### Credit terms given to our customers

We typically grant credit terms of between 30 to 90 days to our customers. However, the credit limit for each customer may vary from customer to customer, depending on factors such as their payment track record, financial background and the length of our business relationship. The credit terms and changes to the credit terms are approved by our management and are subject to annual review. We also re-evaluate our customers' credit standing and the credit limit extended to them from time to time to better ensure collectability of trade receivables.

Our average trade receivable turnover days during the Period Under Review were as follows:

	FY2018	FY2019	FY2020
Average trade receivables turnover days <sup>(1)</sup>	60	58	86

#### Note:

- (1) Average trade receivables turnover days = (Average trade receivables due from third parties / revenue from third parties) x 365 days for full year.

## GENERAL INFORMATION ON OUR GROUP

The increase in trade receivables turnover days was due to our Group contracting directly with Singapore Aero Support Services Pte. Ltd., which became our major customer in FY2020. Singapore Aero Support Services Pte. Ltd. typically takes a longer period of time to pay for our services as compared with our other customers. Notwithstanding this, our Group does not expect any issues with the collection of payments from Singapore Aero Support Services Pte. Ltd. and there has been no impairment or write-off of any trade receivables due from Singapore Aero Support Services Pte. Ltd. since we commenced contracting directly with them.

Our finance department monitors the payment status of our customers closely and follows up with our customers on overdue payments. To further strengthen our Group's procedures for control of overdue payments, we had included in our formal policy the process and accountability of controlling, reporting and ensuring timely remedial actions for such payments owing to us.

Specific provision or write-off will be made when we are of the view that the collectability of an outstanding debt is in doubt. Allowance for impairment of receivables will usually be assessed on a case-by-case basis, depending on the creditworthiness of the customers at the relevant time.

The amount of impairment losses on trade receivables and write-off of trade receivables during the Period Under Review were as follows:

	FY2018 S\$	FY2019 S\$	FY2020 S\$
Impairment losses on trade receivables	37,815	631	306,136
Write-off of trade receivables	17,728	631	52,223

The write-off relates to amounts deemed uncollectible after repeated attempts to recover the sum by our Group and where the quantum was not material enough to justify litigation.

The decrease in impairment losses on trade receivables from S\$37,815 in FY2018 to S\$631 in FY2019 arose as we undertook an extensive exercise to review our trade receivables in FY2018 as part of our internal controls processes. As such, at the end of this exercise, the amount of trade receivables that were deemed uncollectible had decreased in FY2019 as compared to FY2018. The increase in impairment losses on trade receivables from S\$631 in FY2019 to S\$306,136 in FY2020 was primarily due to a full impairment of trade receivables from one of our customers, Hiap Seng Engineering Ltd, which was placed under judicial management in September 2020. Our Group has since ceased all transactions with such customer. None of the impairment losses on trade receivables and/or write-off of trade receivables were due to our major customers.

Our trade receivables as at 30 June 2020 amounted to approximately S\$6.17 million (before provision for impairment losses balance). The aging schedule of the balance of our trade receivables as at 30 June 2020 is as follows:

Period	As at 30 June 2020 <sup>(1)</sup>	
	\$'000	%
Current (not past due)	2,474	40.1
1-30 days past due	1,026	16.7
31-90 days past due	1,538	24.9
More than 90 days past due	1,128	18.3
Total	6,166	100.0
Amount collected as at the Latest Practicable Date	5,045	81.8

**Note:**

- (1) Contract assets amounting to S\$0.48 million (which has not been transferred to trade receivables as the rights have not become unconditional) have been excluded in the above trade receivables aging schedule.

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## GENERAL INFORMATION ON OUR GROUP

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Save for amounts for which provisions for impairment losses have been made as set out above, our Group does not expect any issues with the collectability of such payments. As at the Latest Practicable Date, 69.1% of the trade receivables that were more than 90 days past due have been collected. Provision for impairment has already been made for another 20.1% in FY2020. Our Company does not foresee any further material impairments and write-offs of such remaining trade receivables after the Listing.

### Credit terms given by our suppliers

Our suppliers generally grant us credit terms of up to 90 days.

Our average trade payables turnover days during the Period Under Review were as follows:

	FY2018	FY2019	FY2020
Average trade payables turnover days <sup>(1)</sup>	65	70	61

#### Note:

(1) Average trade payables turnover days = (Average trade payables due to third parties / trade-related purchases from third parties) x 365 days for full year.

We typically process payment to our suppliers based on their credit terms.

Our average trade payables turnover days from FY2018 to FY2020 are in line with the range of credit terms granted to our Group by our suppliers.

### INVENTORY MANAGEMENT

Due to the nature of our business, we do not carry any material inventory, save for inventories amounting to S\$0.23 million as at 30 June 2020 which were purchased and held to fulfil a specific sales order. Our scaffolding equipment are classified as fixed assets, and for our other business segments, we generally purchase materials only after we have secured contracts from our customers. Accordingly, it is not meaningful to calculate the inventory turnover days of our Group.

### COMPETITION

We operate in a competitive environment and face competition from new and existing competitors based in Singapore and elsewhere.

To the best of our knowledge, we consider the following to be our key competitors.

(a) Engineering services

- MultiHeight Scaffolding Pte Ltd (Design and installation of scaffolding solutions)
- Yew Hock Marine Scaffolding Pte Ltd (Design and installation of scaffolding solutions)
- Vindes Engineering Pte Ltd (Design and installation of scaffolding solutions)
- Silver Eagle Scaffolding Pte Ltd (Design and installation of scaffolding solutions)
- Hai Leck Engineering Pte Ltd (Design and installation of scaffolding solutions and provision of insulation services)
- Austin Energy (Asia) Pte Ltd (Provision of insulation and passive fire protection services)
- Meisei International Pte Ltd (Provision of insulation services and passive fire protection services)
- Loonglobal Engineering Pte Ltd (Provision of insulation services and passive fire protection services)
- Trilogia Engineering Pte Ltd (Provision of insulation services)
- LFP Engineering Pte Ltd (Provision of passive fire protection services)
- Prostar Contract Services Pte Ltd (Provision of passive fire protection services)

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## GENERAL INFORMATION ON OUR GROUP

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(b) Transport services

- ComfortDelGro Bus Pte Ltd (subsidiary of ComfortDelGro Corporation Ltd)
- Woodlands Transport Service Pte Ltd
- Bus-Plus Services Pte Ltd
- Rui Feng Chartered Pte Ltd
- Tong Tar Transport Service Pte Ltd

(c) Security and manpower services

- Concorde Security Pte Ltd (Security services)
- Reachfield Security & Safety Management Pte Ltd (Security services)
- APRO Asian Protection Pte Ltd (Security services)
- Securus Pte Ltd (subsidiary of Securus Ltd) (Security services)
- Dragnet SmartTech Security Pte Ltd (Security services)
- AJI International Pte Ltd (Manpower services)
- Aerospec Supplies Pte Ltd (Manpower services)
- Oriental Aviation International Pte Ltd (Manpower services)
- Aviation Labour Group Pte Ltd (Manpower services)
- MAJ Aviation Pte Ltd (Manpower services)

### STAFF TRAINING AND DEVELOPMENT

We believe that technical competence, product knowledge and execution skills of our employees are instrumental in supporting the future growth of our business and maintaining our competitive position in the industry.

We organise various training and development programmes for our employees according to their job requirements and functions to equip them with the requisite skills and knowledge so that they will be able to perform their jobs competently and efficiently. Our employees also periodically undergo on-the-job training under the guidance of senior and more experienced personnel. Our employees are equipped with the necessary working knowledge and practical skills for their job function through the in-house training and demonstrations that we conduct and by working on projects.

For instance, for our transport services, before the initial deployment of our buses, each designated driver will undergo an orientation/training programme whereby they will be briefed on the route, daily schedules and pick-up points or terminus, as well as any other specific requirements of our customer. New drivers also undergo training to ensure that they are familiar with the vehicles they are operating, our Group's safe work practices and other documented policies, procedures and additional information required for them to carry out their duties.

For our security services, prior to starting work at a worksite, our security officers spend one (1) to three (3) days of on-the-job training to familiarise themselves with the requirements of the worksite and the likely site-related issues that may arise. Every new private security officer is also briefed on his or her responsibilities. External and internal training are provided to ensure that they perform their duties in accordance with our standards. For instance, our private security officers undergo regular refresher courses, as well as WSQ courses conducted by external third parties to update them on essential skills, such as counter terrorism.

Some of the other training and development programmes attended by our employees would depend on their job functions and includes production and quality improvement courses, purchasing and inventory management courses, managerial and supervisory skills courses, accounting and financial management courses. This allows our employees to improve their work performance in their respective business units.

Our engineering division is registered with the BCA's Workforce Training & Upgrading Scheme and receives funding support where our engineering staff undertake regular training and skills upgrade at the BCA Academy.

Our staff training expenses for the Period Under Review were not significant.

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## GENERAL INFORMATION ON OUR GROUP

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### CORPORATE SOCIAL RESPONSIBILITY

We view corporate social responsibility as our responsibility and a competitive advantage. We recognise that we have an obligation towards our employees, investors, customers, suppliers and the community as a whole. We believe that our reputation, together with the trust and confidence of those with whom we deal with, is one of our most valuable assets. We seek to maintain our reputation and such trust and confidence, and are committed to achieving long-term mutually sustainable relationships with our stakeholders.

As part of our sustainability policy, our Group:

- (a) avoids using paper wherever possible. For example, invoices and quotes are sent via email. Instead of printing sales report for meetings, we use the overhead projector to display such reports for discussion.
- (b) recycles old and used equipment. For example, giving away items such as computers and printers that we no longer use.
- (c) keeps energy usage low. For example, air conditioners and computers are shut down after work.
- (d) uses products with a lower environmental impact in providing our cleaning services.

Our Group also gives back to society and has previously donated cash to groups like Kidney Dialysis Foundation and the Lion Defenders. We also engage in donations for temple land lease renewal and renovation projects.

Our Directors intend to establish a corporate social responsibility policy which will formally address our Group's impact on the local community. In addition, we shall be required to disclose our corporate social responsibility policies with reference to the SGX-ST's Guide to Sustainability Reporting for Listed Companies.

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## PROSPECTS, TRENDS, BUSINESS STRATEGIES AND FUTURE PLANS

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### PROSPECTS

#### 1. **Engineering services**

To-date, we have provided engineering services to customers for activities such as scaffolding, insulation, painting and general work in the marine and offshore, construction and petrochemical sectors. During the Period Under Review, our customers in the petrochemical and marine and offshore industries contributed to more than 50.0% of our revenue from this business segment. Our Directors believe that business from the petrochemical, marine and offshore, and construction industries in Singapore will continue to be our key revenue contributor. Our business prospects and future growth will be dependent on the outlook of these industries.

#### **Continued growth and investments in Singapore's petrochemical and marine and offshore industries**

Our Directors believe that Singapore's strong and trusted brand name, skilled work force and pro-enterprise environment have enabled the nation to remain attractive to major foreign investors.

Singapore's powerful mix of refining, olefins production and chemicals manufacturing, and business and innovation capabilities has made it one of the world's leading energy and chemical hubs, with over 100 global chemical firms locating their major operations in Singapore<sup>3</sup>. For instance, Neste Corporation announced an investment decision of 1.4 billion euros to expand its renewable products production capacity in Singapore, construction of which started at the beginning of 2019 and is targeted to be operational in 2022<sup>4</sup>. The Linde engineering group also intends to quadruple its capacity to produce and supply hydrogen and synthetic gas in Singapore by building a new US\$1.4 billion complex on Jurong Island, targeted to be fully operational by 2023<sup>5</sup>. Another example is ExxonMobil's announcement of its intention to undertake a multi-billion dollar expansion of its integrated manufacturing complex in Singapore, which is targeted to increase its capacity to produce cleaner fuels with lower-sulphur content by 48,000 barrels per day, which is expected to come online in 2023<sup>6</sup>. In this regard, ExxonMobil held a virtual

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<sup>3</sup> This information is extracted from the webpage entitled "Industries – Energy & Chemicals" on the EDB's website, accessible at <https://www.edb.gov.sg/en/our-industries/energy-and-chemicals.html>

The EDB has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>4</sup> This information is extracted from the webpage entitled "Neste Singapore Expansion Project" on Neste Corporation's website, accessible at <https://www.neste.com/neste-in-singapore-and-asia-pacific/news-inspiration/singapore-expansion-project>

Neste Corporation has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>5</sup> This information is extracted from the article entitled "Gas giant Linde to quadruple capacity here with \$1.9b expansion" dated 28 August 2020 published by The Straits Times, accessible at <https://www.straitstimes.com/business/companies-markets/gas-giant-linde-to-quadruple-capacity-here-with-19b-expansion>

The Straits Times has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>6</sup> This information is extracted from the article entitled "ExxonMobil commits to multi-billion dollar expansion of Singapore manufacturing complex" published by CNA dated 2 April 2019, accessible at <https://www.channelnewsasia.com/news/business/exxonmobil-to-expand-singapore-manufacturing-complex-jurong-11405298>

CNA has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

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## PROSPECTS, TRENDS, BUSINESS STRATEGIES AND FUTURE PLANS

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foundation laying ceremony in March 2020 for the aforementioned expansion<sup>7</sup>. We are not aware of any changes in the abovementioned plans by these corporations in view of the COVID-19 situation and we expect to benefit from the continued growth and investments in these industries in Singapore through the supply of our engineering services to cater to the expansion plans of such industries as well as in the day-to-day maintenance work required by the existing plants.

In addition, the Marine and Offshore Engineering Industry Transformation Map aims to increase the value-add of the industry to S\$5.8 billion and create 1,500 more jobs by 2025<sup>8</sup>. Singapore is now a global offshore and marine hub<sup>9</sup> which services worldwide demand for ship repair, shipbuilding, rig-building, offshore engineering, oilfield equipment manufacturing, and the building and chartering of offshore supply vessels<sup>10</sup>. As a member of the Association of Singapore Marine Industries, our Directors believe our Group will continue to have access to business opportunities arising from the growing marine and offshore industry, as most of our semi-skilled/skilled workers are trained in handling scaffolding and insulation work for the industry.

### Healthy demand expected from the construction industry

In early 2020, BCA expected a steady improvement in construction demand (i.e. the value of construction contracts to be awarded) in the medium term. Demand was originally projected to reach between S\$27 billion and S\$34 billion per year for 2020 and 2021 and could increase to between S\$28 billion and S\$35 billion per year for 2022 and 2023. Besides public residential redevelopments, public sector construction demand over the medium term will continue to

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<sup>7</sup> This information is extracted from the article entitled “ExxonMobil holds virtual foundation-laying ceremony as it expands presence in Singapore with investment and new tech” published by The Straits Times dated 31 March 2020, accessible at <https://www.straitstimes.com/business/companies-markets/exxonmobil-holds-virtual-foundation-laying-ceremony-as-it-expands>

The Straits Times has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>8</sup> This information is extracted from the article entitled “1,500 jobs to be created by 2025 under blueprint for marine and offshore engineering sector” published by CNA dated 22 February 2018, accessible at <https://www.channelnewsasia.com/news/singapore/marine-offshore-engineering-jobs-created-2025-industry-blueprint-9981178>

CNA has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>9</sup> This information is extracted from the section entitled “Industry Profile – Marine & Offshore Engineering” of Enterprise Singapore’s website, accessible at <https://www.enterprisesg.gov.sg/industries/type/marine-and-offshore-engineering/industry-profile>, and the media release entitled “Achieve Global Leadership in Smart Marine & Offshore Engineering Solutions with Optimised Resource Utilisation” published by the EDB dated 22 February 2018, accessible at [https://www.mti.gov.sg/-/media/MTI/ITM/Manufacturing/Marine\\_Offshore/Marine-and-Offshore-ITM--Media-Release-Final.pdf](https://www.mti.gov.sg/-/media/MTI/ITM/Manufacturing/Marine_Offshore/Marine-and-Offshore-ITM--Media-Release-Final.pdf)

Enterprise Singapore has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

The EDB has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>10</sup> This information is extracted from the section entitled “Industry Profile – Marine & Offshore Engineering” of Enterprise Singapore’s website, accessible at <https://www.enterprisesg.gov.sg/industries/type/marine-and-offshore-engineering/industry-profile>, and the media release entitled “Achieve Global Leadership in Smart Marine & Offshore Engineering Solutions with Optimised Resource Utilisation” published by the EDB dated 22 February 2018, accessible at [https://www.mti.gov.sg/-/media/MTI/ITM/Manufacturing/Marine\\_Offshore/Marine-and-Offshore-ITM--Media-Release-Final.pdf](https://www.mti.gov.sg/-/media/MTI/ITM/Manufacturing/Marine_Offshore/Marine-and-Offshore-ITM--Media-Release-Final.pdf)

Enterprise Singapore has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

The EDB has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

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## PROSPECTS, TRENDS, BUSINESS STRATEGIES AND FUTURE PLANS

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be supported by big infrastructure projects such as the Cross Island Line, and developments at Jurong Lake District<sup>11</sup>. As a result of the effects of COVID-19, in the second quarter of 2020, the construction sector contracted by 59.3% year-on-year because all construction activities were stopped during the “circuit breaker” period from 7 April 2020 to 1 June 2020. Construction firms were also affected by manpower disruptions including movement disruptions at the foreign worker dormitories<sup>12</sup>. Notwithstanding this, with the reopening of the Singapore economy and the resumption of construction works from June 2020<sup>13</sup> coupled with the Construction Support Package introduced by the Singapore Government to give financial support to firms in the construction sector to allow them to resume work quickly and safely<sup>14</sup>, our Directors expect the contraction in the construction sector to be less pronounced going forward, and for projects to continue notwithstanding a possible delay in the completion timeline. Further, the contraction in Singapore’s infrastructure sector is also expected to be less pronounced as many projects are supported by the Singapore Government through public spending<sup>15</sup>.

Accordingly, our Directors expect the demand for our engineering services such as those of building engineered shelters using scaffolds to continue in the long term, notwithstanding the current contraction in the construction industry.

### 2. Transport services

#### **The Singapore Government’s initiatives will serve to grow the bus transportation industry**

Singapore’s public bus industry had fully transformed to the Bus Contracting Model (“**BCM**”) in September 2016 where the LTA would determine the bus services to be provided and the service standards, and bus operators would bid for the right to operate these services. Under the BCM, the Singapore Government would be subsidising close to S\$4 billion over the course of five (5)

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<sup>11</sup> This information is extracted from the news release entitled “Singapore’s total construction demand remain strong this year” published by the BCA dated 14 January 2019, accessible at <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2019/01/13/singapore-s-total-construction-demand-remain-strong-this-year>

The BCA has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>12</sup> This information is extracted from the press release entitled “MTI Narrows 2020 GDP Growth Forecast to “-7.0 to -5.0 Per Cent” published by the MTI dated 11 August 2020, accessible at <https://www.singstat.gov.sg/-/media/files/news/gdp2q2020.pdf>

The MTI has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>13</sup> This information is extracted from the webpage entitled “Latest Updates on the Restart of the Construction Sector” published by the BCA dated 26 June 2020, accessible at <https://www1-bca-gov-sg-admin.cwp.sg/COVID-19/construction-updates/latest-restart-updates>

The BCA has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>14</sup> This information is extracted from the media release entitled “\$1.36b Construction Support Package to help firms resume work quickly and safely” published by the BCA dated 27 June 2020, accessible at [https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2020/06/27/\\$1.36b-construction-support-package-to-help-firms-resume-work-quickly-and-safely](https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2020/06/27/$1.36b-construction-support-package-to-help-firms-resume-work-quickly-and-safely)

The BCA has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>15</sup> This information is extracted from the article entitled “Singapore construction sector to shrink 10.3% this year from COVID-19 measures: Fitch Solutions” published by The Straits Times dated 29 April 2020, accessible at <https://www.straitstimes.com/business/economy/singapore-construction-sector-to-shrink-103-this-year-from-covid-19-measures-fitch>

The Straits Times has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

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years to enhance bus services<sup>16</sup>. When the existing bus packages expire and are open for bidding, this will present business opportunities for our Group. Furthermore, the Singapore Government has introduced a Private Bus Support Package amounting to an estimated S\$23 million of targeted support for the private bus industry in March 2020, which will help cushion the effects of COVID-19<sup>17</sup>.

### 3. **Security and manpower services**

#### **Security services**

##### **The Infrastructure Protection Act and the Security Industry Transformation Map will increase the demand for security guarding services and security systems integration**

With the Infrastructure Protection Act taking effect from 18 December 2018, new buildings that house essential services, are iconic or have high public footfall will be designated by the Ministry of Home Affairs as “Special Developments”, and existing ones will be designated as “Special Infrastructures”. Owners of Special Developments will be required to assess their security risks and incorporate suitable measures into their design before they are built, and for Special Infrastructures, when they are to be renovated. Such measures include the deployment of security technology (such as CCTVs), security officers, vehicle barriers, and strengthening the building against blast effects<sup>18</sup>.

With the heightened security threat from terrorism and an increase in the number of buildings and facilities in Singapore, the demand for security services is set to increase<sup>19</sup>. Under the Security Industry Transformation Map which was launched by the Singapore Government in 2018, the Security Productivity Initiative (“SPI”) identified five (5) scalable security technology solutions to help companies raise productivity and become more manpower-lean. These solutions include visitor management systems and video content analytics, which can be deployed across different property types such as industrial and commercial buildings. Companies that need help to redesign jobs and equip staff to implement the technology transformation can receive customised support with the SPI. These companies will receive a guide to security Job Redesign (“JR”) and attend

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<sup>16</sup> This information is extracted from the news release entitled “Bus Services Continue To Improve Since Transition To BCM” published by the LTA dated 4 September 2017, accessible at <https://www.lta.gov.sg/content/ltagov/en/newsroom/2017/9/2/bus-services-continue-to-improve-since-transition-to-bcm.html>

The LTA has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>17</sup> This information is extracted from the news release entitled “Multiagency Effort to Support Private Bus Industry Impacted by COVID-19” published by the LTA dated 26 March 2020, accessible at <https://www.lta.gov.sg/content/ltagov/en/newsroom/2020/march/news-releases/multiagency-effort-to-support-private-bus-industry-impacted-by-c.html>

The LTA has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>18</sup> This information is extracted from the press release entitled “Infrastructure Protection Act to Take Effect from 18 Dec 2018” published by the Ministry of Home Affairs dated 17 December 2018, accessible at <https://www.mha.gov.sg/newsroom/press-release/news/infrastructure-protection-act-to-take-effect-from-18-dec-2018>

The Ministry of Home Affairs has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>19</sup> This information is extracted from the press release entitled “Security Industry Transformation Map”, published by MySkillsFuture (an initiative of SkillsFuture – a movement by the Government of Singapore) dated 13 February 2018 (and last updated 10 October 2019), accessible at <https://www.myskillsfuture.sg/content/portal/en/about/about-myskillsfuture/2018-press-releases/-13-2-2018--security-industry-transformation-map.html>

SkillsFuture Singapore has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

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a two-day workshop facilitated by professional consultants, and be guided to conceptualise a JR project. To implement the projects, companies are directed to apply for the WorkPro Job Redesign Grant, which supports up to 80% of project costs, subject to a cap of S\$300,000<sup>20</sup>. The Singapore Government expects to invest about S\$10 million over three (3) years to support the initiatives under the Security Industry Transformation Map.

Our Directors believe that such measures would increase the demand for security guarding services and other security solutions that our Group can provide.

### **Manpower staffing services**

For our manpower staffing services, our Group specialises in and primarily sources for and supplies aerospace technicians to companies engaged in aerospace maintenance, repair and overhaul. Our business prospects and future growth in this business segment are therefore dependent on the outlook of the aerospace maintenance, repair and overhaul sector.

### **Singapore's prominent position in the aerospace industry continues to boost demand for manpower in the industry**

Singapore is currently one of the world's leading maintenance, repair and overhaul hubs, responsible for 10.0% of the global maintenance, repair and overhaul output. Further, Singapore is also home to over 130 companies providing a whole range of services for engines, components, avionics as well as aircraft<sup>21</sup>.

Air traffic growth in the Asia-Pacific region is one of the fastest in the world, having experienced a 4.7% year-on-year growth as at the beginning of 2020<sup>22</sup>. Singapore has also launched the Air Transport Industry Transformation Map (ITM), a national blueprint to upgrade the capabilities of aviation companies, which aims to increase the sector's productivity by 40% and to redesign or create more than 8,000 jobs by 2025<sup>23</sup>. These include aircraft maintenance, repair and overhaul services, as well as aircraft manufacturing, in which Singapore has garnered a quarter of the

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<sup>20</sup> This information is extracted from the fact sheet entitled "Digitalisation Initiatives Supporting the Transformation of the Security Sector", published by the IMDA dated 13 February 2018, accessible at [https://www.ssg-wsg.gov.sg/content/dam/ssg-wsg/ssgwsq/news/pdfs/19\\_Feb\\_2017/Factsheet\\_Security\\_ITM.pdf](https://www.ssg-wsg.gov.sg/content/dam/ssg-wsg/ssgwsq/news/pdfs/19_Feb_2017/Factsheet_Security_ITM.pdf)

The IMDA has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>21</sup> This information is extracted from the article entitled "Clear skies ahead for Singapore's aerospace industry" published by the EDB dated 26 March 2018, accessible at <https://www.edb.gov.sg/en/news-and-events/insights/headquarters/clear-skies-ahead-for-singapores-aerospace-industry.html>

The EDB has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>22</sup> This information is extracted from the article entitled "What's ahead for airlines and aviation in 2020?" published by Thales Group dated 29 January 2020, accessible at <https://www.thalesgroup.com/en/singapore/magazine/whats-ahead-airlines-and-aviation-2020>

Thales Group has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>23</sup> This information is extracted from the webpage entitled "Industry Profile – Industry Overview" on Enterprise Singapore's website, accessible at <https://www.enterprisesg.gov.sg/industries/type/air-transport/industry-profile>

Enterprise Singapore has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

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Asian market, backed by a pool of over 100 aerospace companies<sup>24</sup>. Unfortunately, the impact of COVID-19 has caused great uncertainties about the future of the aviation and travel industry and Singapore has announced a pause on the construction of the fifth terminal at its Changi Airport, originally scheduled to be completed in the 2030s, for at least two (2) years<sup>25</sup>. Further, terminal operations at Changi Airport have been consolidated by suspending operations in Terminals 2 and 4, with airlines relocating to the remaining terminals<sup>26</sup>. While COVID-19 has caused a material adverse impact on the aviation industry, our Directors believe that, in the medium to long term, the ITM will help to promote recovery and ensure Singapore's competitiveness in this sector as global air travel resumes gradually and the aviation sector starts recuperation. While the International Air Transport Association has said that demand for air travel is unlikely to return to the levels before the COVID-19 pandemic until 2024<sup>27</sup>, our Directors believe that the present situation is improving gradually, especially in Singapore. Singapore Airlines, Scoot and JetStar Asia had announced in September 2020 that they were restarting flights to more destinations and at slightly increased frequency, with Singapore Airlines Group's passenger capacity to reach about 11% of pre-pandemic levels by the end of November 2020<sup>28</sup>.

Based on the foregoing, our Directors believe that while the demand for aircraft engineers and technicians has decreased in the short term arising from the effects of COVID-19, the aviation industry will eventually recover and such demand will continue to increase in the long term as Singapore capitalises on its competitiveness in this sector, which would in turn increase the demand for our manpower services in this sector.

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<sup>24</sup> This information is extracted from the webpage entitled "Industry Profile – Industry Overview" on Enterprise Singapore's website, accessible at <https://www.enterprisesg.gov.sg/industries/type/air-transport/industry-profile>

Enterprise Singapore has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>25</sup> This information is extracted from the article entitled "Changi Airport Terminal 5 construction 'paused' for at least two years: Khaw Boon Wan" published by CNA dated 16 June 2020, accessible at <https://www.channelnewsasia.com/news/singapore/changi-airport-terminal-5-construction-paused-khaw-boon-wan-12840364>

CNA has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>26</sup> This information is extracted from the webpage entitled "Consolidation of Terminal Operations" on Changi Airport Group's website, accessible at <https://www.changiairport.com/corporate/media-centre/newsroom/consolidation-of-terminal-operations.html#?tid=relocation>

Changi Airport Group has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>27</sup> This information is extracted from the article entitled "Air passenger numbers won't return to pre-COVID-19 levels till 2024: IATA" published by The Straits Times dated 4 August 2020, accessible at <https://www.straitstimes.com/singapore/transport/iata-passenger-numbers-wont-return-to-pre-covid-19-levels-till-2024>

The Straits Times has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>28</sup> This information is extracted from the article entitled "Coronavirus: SIA, Scoot and Jetstar Asia restarting flights to more destinations" published by The Straits Times dated 2 September 2020, accessible at <https://www.straitstimes.com/singapore/transport/sia-group-jetstar-asia-restarting-flights-to-more-destinations>

The Straits Times has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

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### TREND INFORMATION

Barring unforeseen circumstances, our Directors observe the following trends based on the operations of our Group as at the Latest Practicable Date for the current financial year:

- (a) We expect to continue leveraging on our existing customer relationships by continuing to provide engineering services for plant maintenance work in the petrochemical industry. Further, while the construction sector in Singapore is expected to contract, the contraction in Singapore's infrastructure sector is expected to be less pronounced as many projects are supported by the Singapore Government through public spending<sup>29</sup>. The Singapore Government has also set up a S\$1.36 billion fund to help construction companies to co-fund some of their costs<sup>30</sup>. We see opportunities for the demand of our engineering services in supplying scaffolding solutions and skilled manpower and potentially other services currently offered by our Group.
- (b) Notwithstanding COVID-19, Singapore's position as one of the leading maintenance, repair and overhaul hubs bodes well for the demand for our manpower staffing for aviation technicians services in this sector. Additionally, with the gradual resumption of air travel and transit through Singapore's airport, we expect the demand for our manpower staffing services to the aviation industry to improve from the peak of the pandemic.
- (c) In general, we expect our operating costs to rise in tandem with the provision of our services. In addition, excise duty on diesel fuel has increased from S\$0.10 to S\$0.20 per litre with effect from February 2019. As at the Latest Practicable Date, all our buses operate on diesel fuel. While we believe that any impact from the increase in excise duty on diesel fuel will be mitigated by new road tax rebates for a three-year period from 1 August 2019 to 31 July 2022, and that diesel school buses and eligible diesel private-hire or excursion buses that ferry school children will enjoy additional cash rebates for the same three-year period, there is no assurance that there will not be material adverse impact on the profitability of our Group. Please refer to risk factor entitled "Operating cost for our transport services may increase due to changes to Singapore regulations, policies and measures relating to road usage and diesel consumption" in the section entitled "Risk Factors" of this Offer Document.
- (d) We also expect the costs of our manpower to increase with the increase of the qualifying salary for foreigners on S Passes to S\$2,500 and for foreigners on employment passes to S\$4,500<sup>31</sup>. Please refer to the risk factor entitled "We are dependent on foreign labour and the supply of foreign labour may be affected by the laws, regulations and policies in Singapore and the countries from which the foreign labour originates" as set out in the section entitled "Risk Factors" of this Offer Document.

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<sup>29</sup> This information is extracted from the article entitled "Singapore construction sector to shrink 10.3% this year from COVID-19 measures: Fitch Solutions" published by The Straits Times dated 29 April 2020, accessible at <https://www.straitstimes.com/business/economy/singapore-construction-sector-to-shrink-103-this-year-from-covid-19-measures-fitch>

The Straits Times has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>30</sup> This information is extracted from the article entitled "\$1.36b package rolled out to help construction firms resume work safely amid coronavirus pandemic" published by The Straits Times dated 27 June 2020, accessible at <https://www.straitstimes.com/singapore/136b-package-rolled-out-to-help-construction-firms-resume-work-safely>

The Straits Times has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>31</sup> This information is extracted from the article entitled "Minimum salary for Employment Pass to rise to \$4,500; even higher qualifying salary of \$5,000 for financial services" published by The Straits Times dated 27 August 2020, accessible at <https://www.straitstimes.com/singapore/manpower/minimum-salary-for-employment-pass-to-rise-to-4500-from-3900-even-higher>

The Straits Times has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

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- (e) The outbreak of COVID-19 is expected to continue to have a significant impact on the local economy for at least the next couple of quarters<sup>32</sup>. Unlike the severe acute respiratory syndrome outbreak in 2003, which was largely limited to East Asia, the number of infections of COVID-19 has exponentially increased across the world, from Europe to the United States to Iran. The COVID-19 pandemic's economic fallout is expected to adversely affect Singapore for at least a year<sup>33</sup>. The MTI has cut Singapore's 2020 GDP forecast range to -7.0% to -4.0% due to COVID-19 outbreak<sup>34</sup>. Some of our current ongoing key contracts have been delayed and we expect the outbreak to have a significant adverse impact on our Group's business operations and consequently have the same adverse effect on our Group's operating results. Globally, there continues to be a high degree of uncertainty over the length and severity of the outbreak, as well as the trajectory of the recovery in the global economy. However, the impact of COVID-19 is mitigated by the supplementary budgets announced by the Singapore Government to support companies amidst the pandemic, in particular, the Jobs Support Scheme<sup>35</sup>. Pursuant to the Jobs Support Scheme, the Singapore Government will provide wage subsidies of up to 50% to firms up to March 2021<sup>36</sup>. There is also another job creation scheme pursuant to which the Singapore Government will co-pay up to 50% of salary of new local hires for a year if such local hires are made during the six (6) months following August 2020<sup>37</sup>. We expect to benefit substantially from these schemes as salaries comprise 66.9% of our cost of sales in FY2020. Notwithstanding this, we do not expect the cessation of the Jobs Support

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<sup>32</sup> This information is extracted from the article entitled "COVID-19 to have 'significant' impact on economy: PM Lee Hsien Loong" published by CNA dated 14 February 2020, accessible at [https://www.channelnewsasia.com/news/singapore/covid19-significant-impact-economy-lee-hsien-loong-12435256?cid=h3\\_referral\\_inarticlelinks\\_24082018\\_cna](https://www.channelnewsasia.com/news/singapore/covid19-significant-impact-economy-lee-hsien-loong-12435256?cid=h3_referral_inarticlelinks_24082018_cna)

CNA has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>33</sup> This information is extracted from the article entitled "Economic impact of COVID-19 to last at least a year: Vivian" published by The Straits Times dated 17 March 2020, accessible at <https://www.straitstimes.com/singapore/economic-impact-of-covid-19-to-last-at-least-a-year-vivian>

The Straits Times has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>34</sup> This information is extracted from the article entitled "Impact of the COVID-19 Pandemic on the Singapore economy" published by the MTI dated 26 May 2020, accessible at [https://www.mti.gov.sg/-/media/MTI/Resources/Economic-Survey-of-Singapore/2020/Economic-Survey-of-Singapore-First-Quarter-2020/FA\\_1Q20.pdf](https://www.mti.gov.sg/-/media/MTI/Resources/Economic-Survey-of-Singapore/2020/Economic-Survey-of-Singapore-First-Quarter-2020/FA_1Q20.pdf)

The MTI has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>35</sup> This information is extracted from the webpage entitled "Stabilisation and Support Package", accessible at [https://www.singaporebudget.gov.sg/budget\\_2020/budget-measures/stabilisation-and-support-package](https://www.singaporebudget.gov.sg/budget_2020/budget-measures/stabilisation-and-support-package)

The Ministry of Finance has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>36</sup> This information is extracted from the article entitled "Govt extends Jobs Support Scheme by up to 7 months; sectors to get 10-50% tiered wage subsidies" published by The Straits Times dated 17 August 2020, accessible at <https://www.straitstimes.com/politics/govt-extends-job-support-scheme-by-up-to-7-months-sectors-to-get-10-50-tiered-wage>

The Straits Times has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>37</sup> This information is extracted from the article entitled "Govt extends Jobs Support Scheme by up to 7 months; sectors to get 10-50% tiered wage subsidies" published by The Straits Times dated 17 August 2020, accessible at <https://www.straitstimes.com/politics/govt-extends-job-support-scheme-by-up-to-7-months-sectors-to-get-10-50-tiered-wage>

The Straits Times has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

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Scheme in March 2021 to have a material adverse effect on our financial performance as we expect our business operations to have substantially resumed by then. Should the COVID-19 situation persist and if the Singapore economy has yet to recover to pre-COVID-19 levels, our Directors believe that the Singapore Government may consider extending its support to companies, as seen from the extension of the period of the Jobs Support Scheme from August 2020 to March 2021<sup>38</sup> as well as the further extension of the availability of the Temporary Bridging Loan Programme from March 2021 to September 2021<sup>39</sup>. The Singapore Government has also allocated S\$187 million to extend the support measures in the Enhanced Aviation Support Package up to March 2021 to provide cost relief for the aviation industry<sup>40</sup>.

- (f) Coupled with the ongoing compliance costs of a public listed company and our one-time listing expenses in connection with the Placement, we expect our financial performance in FY2021 to be adversely affected by additional costs and expenses.

Based on the foregoing, while our Directors do not expect our Group to incur a loss in FY2021, our performance for FY2021 is expected to be adversely affected after taking into account, in particular, the impact of COVID-19 and the one-time listing expenses in connection with the Placement.

Save as discussed above and under the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “Prospects, Trends, Business Strategies And Future Plans – Business Strategies and Future Plans” of this Offer Document, and barring any unforeseen circumstances, our Directors are not aware of any significant recent trends, uncertainties, demands, commitments or events that are reasonably likely to have a material and adverse effect on our revenue, profitability, liquidity or capital resources for the current financial year, or may cause financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial condition. Please also refer to the section entitled “Cautionary Note Regarding Forward-Looking Statements” of this Offer Document.

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<sup>38</sup> This information is extracted from the article entitled “More support for workers and jobs through the Jobs Support Scheme and COVID-19 Support Grant” published by the Singapore Government on the [www.gov.sg](https://www.gov.sg) portal dated 17 August 2020, accessible at <https://www.gov.sg/article/more-support-for-workers-and-jobs-through-the-jobs-support-scheme-and-covid-19-support-grant>

The Singapore Government has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>39</sup> This information is extracted from the article entitled “Temporary bridging loan programme extended until Sep 2021” published by The Business Times dated 5 October 2020, accessible at <https://www.businesstimes.com.sg/government-economy/temporary-bridging-loan-programme-for-firms-extended-until-sep-2021>

The Business Times has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

<sup>40</sup> This information is extracted from the article entitled “Further support for aerospace, aviation, tourism sectors; transforming Singapore’s economy for a post-COVID-19 world” published by the Singapore Government on the [www.gov.sg](https://www.gov.sg) portal dated 17 August 2020, accessible at <https://www.gov.sg/article/further-support-for-aerospace-aviation-tourism-sectors>

The Singapore Government has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While our Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

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### ORDER BOOK

As at the Latest Practicable Date, our order book is as follows:

Business Segment	S\$ million
Engineering services	2.78
Transport services	5.46
Security and manpower services	3.47
<b>Total</b>	<b>11.71</b>

The above order book includes the contract values of completed works which have been recognised as revenue from 1 July 2020 to the Latest Practicable Date.

Due to the nature of our service for the design and installation of scaffolding systems for our customer's maintenance work, where our revenue is calculated based on unit rate calculated against the scaffolding installed, we do not maintain an order book for the design and installation of scaffolding systems for maintenance work.

Due to the nature of our service for the installation of insulation and passive fire protection solutions, where our revenue is calculated based on unit rate, we do not maintain an order book for the installation of insulation and passive fire protection solutions.

Due to the nature of our premium bus services and school bus services where our revenue is from the collections of fares directly from the commuters and students respectively, we do not maintain an order book for the provision of premium bus services and school bus services.

Due to the nature of our manpower staffing where our revenue is calculated based on the unit rate per hour per technician or staff, we do not maintain an order book for manpower staffing.

### BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans are as follows:

#### ***Acquiring additional scaffolds components and structures***

With the healthy long-term outlook on the petrochemical, marine and offshore, and construction industries, our Directors believe that there is potential demand for our scaffolding services going forward. To meet this demand, and to secure more projects in view of the increase in activities in the aforementioned industries in Singapore, we intend to acquire additional scaffolds components and structures for deployment. We intend to use up to S\$1.07 million of the net proceeds allocated to the acquisition of property, plant and equipment from the issue of Placement Shares for this purpose by the end of FY2021.

In conjunction with the acquisition of additional scaffolds components and structures, our Group also intends to acquire a stock control system software to assist in the management and tracking of our scaffolds to ensure that they are properly tracked, deployed and warehoused.

We also intend to use a part of the remaining S\$0.26 million of the net proceeds allocated to acquisition of property, plant and equipment from the issue of Placement Shares for this purpose by the end of FY2021.

#### ***Upgrading our bus management hardware and software systems***

We intend to upgrade the hardware and software systems used for our transport services to improve the reliability and efficiency of our transport services. Upgrading our transport systems would also enable our Group to bid for contracts where more advanced bus management and monitoring capabilities are a prerequisite for the tender.

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## PROSPECTS, TRENDS, BUSINESS STRATEGIES AND FUTURE PLANS

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First, we intend to acquire and install automatic passenger counting systems (ACPS) on additional buses. The ACPS will enable us to automatically monitor passenger flow and provide us with real time passenger loading data. This in turn will enable our Group to keep track of passenger numbers and ensure fare collection is carried out accurately. Additionally, the ACPS will allow us to better manage, schedule and plan our transport services by enabling us to track demand levels and make adjustments to the services if necessary.

Separately, we intend to invest in an intelligent bus management system to optimise our fleet and roster management, route planning and bus maintenance and licensing schedules. Our existing bus management system only allows for the monitoring of bus locations along designated routes, whereas our fleet and roster, route planning and bus maintenance and licensing schedules are managed and monitored manually by our staff. With the new intelligent bus management system, we will be able to utilise software systems to optimise travel routes, as well as to automate roster planning and notifications for the purposes of maintenance schedules and licensing renewals.

We intend to use a part of the remaining S\$0.26 million of the net proceeds allocated to acquisition of property, plant and equipment from the issue of Placement Shares for this purpose by the end of FY2022.

### ***Developing and testing new security solutions***

New tools and technologies utilised in the provision of security solutions are developed and introduced at a rapid pace. While, as a security systems integrator, we design and develop solutions using third party tools and technologies, our Group needs to continually explore and develop a thorough understanding of new emerging technologies to remain competitive in the industry. Before offering new security solutions to our customers, our Group needs to acquire the necessary hardware and software to develop prototypes and conduct tests in controlled environments to ensure that such systems can be deployed. To this end, our Group intends to increase efforts to research new tools and technologies and to develop new solutions using such tools and technologies.

In particular, our Group intends to acquire hardware and software solutions to develop a security system that enables security data, such as video footage and other security information, to be transmitted using wireless 4<sup>th</sup> generation (4G) broadband cellular networks instead of wired networks. Such 4G systems offer two (2) benefits. Firstly, our existing security solutions offerings rely on wired networks for transmission of security data. However, potential customers may not allow any external security system to be integrated with their data networks due to confidentiality and hacking concerns. Such 4G systems will allow our Group to offer security solutions that do not rely on the private networks and bandwidth of our customers to transmit security data. Secondly, as part of our security guarding services, we offer to remotely monitor our private security officers to ensure that they are properly discharging their guard duties. Such monitoring is also an assessment criterion for the PLRD's Security Agencies Grading Exercise. Our Group achieved a Grade "B", Grade "A", Grade "B" and Grade "C" in the Security Agencies Grading Exercise for 2017, 2018, 2019 and 2020, respectively. As our existing systems are wired-based, we can only offer remote monitoring of our private security officers at the guard sites with wired data network. A 4G system would provide us an alternative means to monitor private security officers deployed to our customers' sites, as well as facilitate our Group in working towards achieving a consistent and higher grade for future Security Agencies Grading Exercises.

We also intend to enhance our video surveillance system offerings, in particular to improve facial recognition capability with higher facial detection and recognition rate. Presently, the facial recognition capability offered by our Group has lower success rates of detection and recognition where the faces are partially obscured or blocked (for instance by headwear or eyewear).

We intend to use a part of the remaining S\$0.26 million of the net proceeds allocated to acquisition of property, plant and equipment from the issue of Placement Shares for this purpose by the middle of FY2022.

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## PROSPECTS, TRENDS, BUSINESS STRATEGIES AND FUTURE PLANS

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### ***Hiring of new staff and upgrading of our human resource software***

We plan to expand our Group's business through hiring of additional sales, operations and administrative staff. We intend to bolster our marketing and business development activities and service capabilities to reach out to a wider and larger customer base. Such new hires will support our efforts to continually expand our services offerings and market growth. As at the Latest Practicable Date, we have 392 full-time employees.

We intend to fund the above from S\$0.35 million net proceeds allocated for working capital purposes from the issue of Placement Shares by the end of FY2021.

### ***Explore investments, mergers and acquisitions, joint ventures and/or strategic collaborations***

We intend to expand and diversify our operations and increase our service offerings either through our own investments or through potential mergers and acquisitions, joint ventures and/or strategic collaborations with parties which can provide synergistic value to our business, which we believe will complement our current and future businesses and be aligned with our long-term interests.

In particular, we are looking to:

- (a) collaborate with suitable overseas partners to expand our service offerings in the South East Asia region; and
- (b) undertake joint ventures with parties to participate in large and/or specialised projects.

We believe that such investments, mergers and joint ventures and/or strategic collaborations will strengthen our competitive advantage by enhancing our core capabilities and giving us access to new markets, customers and businesses.

As at the Latest Practicable Date, we have not entered into definitive agreements with any potential party to acquire potential businesses or to form joint ventures and/or strategic collaborations. We will carefully consider any such opportunities and undertake reviews and evaluations to determine whether such transactions will benefit our business. Key factors which our Group will consider when assessing such opportunities include return on investments, market trends and commercial viability.

## INTERESTED PERSON TRANSACTIONS

In general, transactions between our Group and any of its interested persons (i.e. our Directors, CEO, Controlling Shareholders and/or their Associates) constitute interested person transactions. Details of interested person transactions of our Group for FY2018, FY2019, FY2020 and the period from 1 July 2020 to the Latest Practicable Date (collectively, the “**Relevant Period**”) are set out below.

Save as disclosed below and in the section entitled “Restructuring Exercise” of this Offer Document, none of our Directors, CEO, Controlling Shareholders and/or their respective Associates was or is interested in any transactions with our Group during the Relevant Period.

### INTERESTED PERSONS

Interested Persons	Relationships
Mr Poh Soon Keng	Mr Poh Soon Keng is our Executive Chairman and CEO. He is also our Controlling Shareholder. Mr Poh Soon Keng is the husband of Ms Tan Siew Lan, brother-in-law of Ms Tan Ah Hwa, and father of Ms Poh Pei Chi and Mr Poh Cher Ying.
Ms Tan Siew Lan	Ms Tan Siew Lan is our Human Resource and Administration Director and is also our Controlling Shareholder. She is the wife of Mr Poh Soon Keng, sister of Ms Tan Ah Hwa, and mother of Ms Poh Pei Chi and Mr Poh Cher Ying.
Ms Tan Ah Hwa	Ms Tan Ah Hwa is our Operations Director (Transport) and is the sister of Ms Tan Siew Lan.
Ms Poh Pei Chi	Ms Poh Pei Chi is our Controlling Shareholder and the daughter of Mr Poh Soon Keng and Ms Tan Siew Lan.
Mr Poh Cher Ying	Mr Poh Cher Ying is the son of Mr Poh Soon Keng and Ms Tan Siew Lan.
E Constructor	E Constructor is a company incorporated in Singapore on 5 December 2012. As at the Latest Practicable Date, Mr Poh Soon Keng and Ms Tan Siew Lan each owns 50.0% of the issued and paid-up share capital of E Constructor.  E Constructor was engaged in the business of building construction and has been dormant since June 2019. As at the Latest Practicable Date, E Constructor is gazetted to be struck off.
ACE	ACE is a company incorporated in Singapore on 23 October 2012. As at the Latest Practicable Date, Mr Poh Soon Keng owns 30.0% of the issued and paid-up share capital of ACE.  ACE is engaged in the business of providing corporate training services and motivational courses.
Kaoson	Kaoson is a company incorporated in Singapore on 12 January 2007. As at the Latest Practicable Date, Mr Poh Soon Keng owns 50.0% of the issued and paid-up share capital of Kaoson and is a non-executive director of Kaoson.  Kaoson is engaged in the business of engineering and consultancy services. After the sale of the Kaoson Assets in April 2019 to Aedge Holdings and Aedge Technologies as described in the section entitled “Restructuring Exercise” of this Offer Document, Kaoson has remained dormant.
NZE	NZE is a company incorporated in Malaysia on 5 April 2013. As at the Latest Practicable Date, Mr Poh Soon Keng and Ms Tan Siew Lan owns 48.0% and 1.0% of the issued and paid-up share capital of NZE respectively. Mr Poh Soon Keng is also a non-executive director of NZE. The remaining director and shareholder of NZE is not related to our Directors, Executive Officers and Controlling Shareholders and/or their Associates.  NZE was engaged in the business of providing engineering services in West Malaysia and has been inactive since end 2018.

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## INTERESTED PERSON TRANSACTIONS

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### PAST INTERESTED PERSON TRANSACTIONS

#### Transactions with E Constructor

##### *Provision of services by E Constructor to our Group*

In FY2018, our Group had engaged E Constructor for the supply of manpower based on time cost of workers supplied on a project basis as and when additional manpower are required ("**E Constructor Services**");

The appointment of E Constructor to provide the E Constructor Services was not on an arm's length basis and not on normal commercial terms. However, our Directors are of the view that the transactions were not prejudicial to the interests to our Group and our minority Shareholders as the fees paid to E Constructor were comparable to informal quotes sourced from other third party service providers from time to time.

The total costs incurred by our Group for the E Constructor Services for the Relevant Period were as follows:

	FY2018 (S\$)	FY2019 (S\$)	FY2020 (S\$)	1 July 2020 to the Latest Practicable Date (S\$)
Supply of manpower	52,590	–	–	–
<b>Total</b>	<b>52,590</b>	–	–	–

##### *Provision of services by our Group to E Constructor*

In FY2018 and FY2019, our Group had been engaged by E Constructor to provide the following services (collectively, "**Aedge-EC Services**"):

- (a) supply of manpower based on time cost of workers supplied on a project basis as and when additional manpower are required by E Constructor and at the same time, we have excess capacity;
- (b) provision of dormitories for E Constructor's workers;
- (c) provision of consultancy services for corporate development;
- (d) provision of accounting services; and
- (e) provision of administrative and corporate services.

The provision of the Aedge-EC Services to E Constructor were not on an arm's length basis and not on normal commercial terms. However, our Directors are of the view that the transactions (other than the provision of accounting services) were not prejudicial to the interests of our Group and our minority Shareholders as the fees paid by E Constructor were comparable to fees we would quote to third parties. In respect of the accounting services, our Directors are of the view that the provision of the accounting services is not prejudicial to our Group and our minority Shareholders, since our Group had unutilised accounting resources, and the provision of accounting services to E Constructor allowed our Group to share the relevant staff costs with E Constructor.

## INTERESTED PERSON TRANSACTIONS

The total revenue received by our Group for the provision of the Aedge-EC Services for the Relevant Period were as follows:

	FY2018 (S\$)	FY2019 (S\$)	FY2020 (S\$)	1 July 2020 to the Latest Practicable Date (S\$)
Supply of manpower	31,147	–	–	–
Provision of dormitories	16,011	–	–	–
Provision of consultancy services	30,000	–	–	–
Provision of accounting services	18,000	18,000	–	–
Provision of administrative and corporate services	2,614	–	–	–
<b>Total</b>	<b>97,772</b>	<b>18,000</b>	–	–

### *Purchases from E Constructor*

In FY2019, our Group had purchased fixtures and fittings, cleaning and general equipment and a motor vehicle from E Constructor for an aggregate consideration amounting to S\$65,897.

A breakdown of the purchases is set out in the table below:

Purchases	Amount (S\$)
Fixture and fittings	23,539
Cleaning and general equipment	6,815
Motor vehicle	35,543
<b>Total</b>	<b>65,897</b>

The consideration for the above purchases were based on their respective net book values and accordingly were not transacted on an arm's length basis and not on normal commercial terms. However, our Directors are of the view that the purchases were not prejudicial to our Group and our minority Shareholders as the consideration paid by our Group was comparable to informal quotes sourced from other third parties for similar items.

### *Loans to E Constructor*

From time to time during the Relevant Period, our subsidiary, Aedge Technologies, had granted loans to E Constructor.

The loans were not granted on an arm's length basis, not on normal commercial terms and were prejudicial to our Group and our minority Shareholders, as they were interest-free and unsecured. The largest amount outstanding from E Constructor due to Aedge Technologies arising from such loans during the Relevant Period based on year end balances was S\$47,651. The outstanding amounts owing by E Constructor to our Group during the Relevant Period were as follows:

	As at 30 June 2018 (S\$)	As at 30 June 2019 (S\$)	As at 30 June 2020 (S\$)	1 July 2020 to the Latest Practicable Date (S\$)
Amount due to Aedge Technologies	47,651	–	–	–

As at the Latest Practicable Date, all transactions between our Group and E Constructor have ceased and been fully settled and we do not expect such transactions to recur after the Listing.

## INTERESTED PERSON TRANSACTIONS

### Transactions with ACE

#### *Use of office facilities and provision of accounting services to ACE*

During the Relevant Period, our Group provided the use of office facilities and accounting services to ACE.

The total revenue received by our Group from ACE for the Relevant Period were as follows:

	FY2018 (S\$)	FY2019 (S\$)	FY2020 (S\$)	1 July 2020 to the Latest Practicable Date (S\$)
Use of office facilities	18,000	18,000	–	–
Provision of accounting services	24,000	24,000	–	–
<b>Total</b>	<b>42,000</b>	<b>42,000</b>	–	–

As there was no verifiable market information and no request for external quotations was made in view that such quotations may not be exactly comparable, the use of office facilities was not transacted on an arm's length basis and not on normal commercial terms. However, our Directors are of the view that it was not prejudicial to our Group and our minority Shareholders since our Group had unutilised office facilities, and the provision of office facilities to ACE allowed our Group to share our fixed overheads with ACE.

The provision of accounting services was not transacted on an arm's length basis and not on normal commercial terms. However, our Directors are of the view that the provision of the accounting services was not prejudicial to our Group and our minority Shareholders, since our Group had unutilised accounting resources, and the provision of accounting services to ACE allowed our Group to share the relevant staff costs with ACE.

#### *Loans to ACE*

From time to time during the Relevant Period, our subsidiary, Aedge Holdings, had granted loans to ACE.

The loans were not granted on an arm's length basis nor on normal commercial terms and were prejudicial to our Group and our minority Shareholders as they were interest-free and unsecured. The largest amount outstanding from ACE due to Aedge Holdings arising from such loans during the Relevant Period based on year end balances was S\$100,000. The outstanding amounts owing by ACE to our Group during the Relevant Period were as follows:

	As at 30 June 2018 (S\$)	As at 30 June 2019 (S\$)	As at 30 June 2020 (S\$)	1 July 2020 to the Latest Practicable Date (S\$)
Amount due to Aedge Holdings	100,000	–	–	–

As at the Latest Practicable Date, all transactions between our Group and ACE have ceased and been fully settled and we do not expect such transactions to recur after the Listing.

### Transactions with Kaoson

#### *Provision of services by Kaoson to our Group*

In FY2018 and FY2019, our Group had engaged Kaoson to provide the following services (collectively, "**Kaoson Services**"):

- (a) supply of manpower; and
- (b) provision of miscellaneous services, including warehouse space usage, tentage usage, transport charges and equipment usage.

## INTERESTED PERSON TRANSACTIONS

The Kaoson Services were not transacted on an arm's length basis and not on normal commercial terms. However, our Directors are of the view that the Kaoson Services were not prejudicial to our Group and our minority Shareholders as the fees paid to Kaoson were comparable to informal quotes sourced from other third party service providers which were provided verbally and not in writing from time to time.

The total costs incurred by our Group for the Kaoson Services for the Relevant Period were as follows:

	FY2018 (S\$)	FY2019 (S\$)	FY2020 (S\$)	1 July 2020 to the Latest Practicable Date (S\$)
Supply of manpower	321,448	64,891	–	–
Provision of miscellaneous services	14,358	1,905	–	–
<b>Total</b>	<b>335,806</b>	<b>66,796</b>	<b>–</b>	<b>–</b>

### *Provision of services by our Group to Kaoson*

In FY2018 and FY2019, our Group had been engaged by Kaoson to provide the following services (collectively, "**Aedge-Kaoson Services**"):

- (a) supply of manpower based on time cost of workers supplied on a project basis;
- (b) provision of dormitories for Kaoson's workers; and
- (c) provision of administrative and corporate services.

The provision of the Aedge-Kaoson Services by our Group to Kaoson was not on an arm's length basis and not on normal commercial terms. However, our Directors are of the view that the transactions were not prejudicial to the interests to our Group and our minority Shareholders as the fees paid by Kaoson were comparable to fees we would quote to third parties.

The total revenue received by our Group for the provision of the Aedge-Kaoson Services to Kaoson for the Relevant Period were as follows:

	FY2018 (S\$)	FY2019 (S\$)	FY2020 (S\$)	1 July 2020 to the Latest Practicable Date (S\$)
Supply of manpower	261,476	71,737	–	–
Provision of dormitories	50	–	–	–
Provision of administrative and corporate services	10,764	–	–	–
<b>Total</b>	<b>272,290</b>	<b>71,737</b>	<b>–</b>	<b>–</b>

### *Loans from our Group to Kaoson*

From time to time during the Relevant Period, our subsidiary, Aedge Technologies, had granted loans to Kaoson.

## INTERESTED PERSON TRANSACTIONS

The loans were not granted on an arm's length basis, not on normal commercial terms and were prejudicial to our Group and our minority Shareholders, as they were interest-free and unsecured. The largest amount outstanding from Kaoson due to Aedge Technologies arising from such loans during the Relevant Period based on year end balances was S\$160,000. The outstanding amounts owing by Kaoson to Aedge Technologies during the Relevant Period were as follows:

	As at 30 June 2018 (S\$)	As at 30 June 2019 (S\$)	As at 30 June 2020 (S\$)	1 July 2020 to the Latest Practicable Date (S\$)
Amount due to Aedge Technologies	160,000	–	–	–

### *Subcontract by Kaoson to our Group*

In September 2019, Kaoson subcontracted to our subsidiary, Aedge Technologies, the one-off adhoc contract and purchase order that Kaoson received from Hyflux Ltd for the supply and fabrication of insulation materials on a back-to-back basis ("**Hyflux Contract**"). The total value (approximately S\$0.26 million) and terms of the sub-contract is identical to and mirrored the contract between Kaoson and Hyflux Ltd. The delivery pursuant to the Hyflux Contract was completed in January 2020 and the full contract value has been received from Hyflux Ltd through Kaoson by our Group in FY2020.

The Hyflux Contract was not made on an arm's length basis and not on normal commercial terms as it was on a back-to-back pass-through basis with Kaoson acquiring no monetary benefits. As such, our Directors are of the view that the Hyflux Contract is not prejudicial to the interests of our Group and our minority Shareholders.

The Hyflux Contract is a one-off ad-hoc project and we do not expect such transactions with Kaoson to recur.

As at the Latest Practicable Date, all transactions between our Group and Kaoson have ceased and been fully settled and we do not expect such transactions to recur after the Listing. As part of the Restructuring Exercise, the Kaoson Consideration which arose from the acquisition of the Kaoson Assets (as described in the section entitled "Restructuring Exercise" of this Offer Document) was satisfied in full by setting off the Kaoson Consideration amount against amounts due and owing by Kaoson to our Group pursuant to our Group's transactions with Kaoson over the course of several years. Such transactions that occurred during the Period Under Review have been disclosed in this section above. Please refer to the section entitled "Restructuring Exercise" of this Offer Document for more details on our acquisition of the Kaoson Assets.

### **Transactions with NZE**

#### *Provision of services by our Group to NZE*

In FY2018 and FY2019, our Group had been engaged by NZE to provide the following services (collectively, "**Aedge-NZE Services**"):

- (a) provision of accounting services; and
- (b) provision of management services for an engineering project secured by NZE.

The provision of the Aedge-NZE Services to NZE was not on an arm's length basis and not on normal commercial terms. However, our Directors are of the view that the transactions (other than the provision of accounting services) were not prejudicial to the interests to our Group and our minority Shareholders as the fees paid by NZE were comparable to fees we would quote to third parties. In respect of the accounting services, our Directors are of the view that the provision of the accounting services was not prejudicial to our Group and our minority Shareholders, since our Group had unutilised accounting resources, and the provision of accounting services to NZE allowed our Group to share the relevant staff costs with NZE.

## INTERESTED PERSON TRANSACTIONS

The total revenue received by our Group for the provision of the Aedge-NZE Services for the Relevant Period were as follows:

	FY2018 (S\$)	FY2019 (S\$)	FY2020 (S\$)	1 July 2020 to the Latest Practicable Date (S\$)
Revenue received by Aedge Holdings				
- Provision of accounting services	24,000	24,000	–	–
- Provision of management fees	76,000	–	–	–
Revenue received by Aedge Technologies				
- Provision of management fees	168,000	28,000	–	–
<b>Total</b>	<b>268,000</b>	<b>52,000</b>	<b>–</b>	<b>–</b>

### *Loans to NZE*

From time to time during the Relevant Period, our subsidiary, Aedge Technologies, had granted loans to NZE.

The loans were not granted on an arm's length basis, not on normal commercial terms and were prejudicial to our Group and our minority Shareholders, as they were interest-free and unsecured. The largest amount outstanding from NZE due to Aedge Technologies arising from such loans during the Relevant Period based on year end balances was S\$128,699. The outstanding amounts owing by NZE to our Group during the Relevant Period were as follows:

	As at 30 June 2018 (S\$)	As at 30 June 2019 (S\$)	As at 30 June 2020 (S\$)	1 July 2020 to the Latest Practicable Date (S\$)
Amount due to Aedge Technologies	128,699	–	–	–

As at the Latest Practicable Date, all transactions between our Group and NZE have ceased and been fully settled and we do not expect such transactions to recur after the Listing.

### **Advances to our Executive Chairman and CEO, Mr Poh Soon Keng**

From time to time during the Relevant Period, our subsidiaries, Aedge Holdings and Aedge Resources, had granted advances to our Executive Chairman and CEO, Mr Poh Soon Keng.

The advances were not granted on an arm's length basis, not on normal commercial terms and were prejudicial to our Group and our minority Shareholders, as they were interest-free, unsecured and had no fixed terms of repayment. The outstanding amounts owing by Mr Poh Soon Keng to our Group during the Relevant Period were as follows:

	As at 30 June 2018 (S\$)	As at 30 June 2019 (S\$)	As at 30 June 2020 (S\$)	1 July 2020 to the Latest Practicable Date (S\$)	Largest amount outstanding during the Relevant Period (based on year end balances) (S\$)
Amount due to Aedge Holdings	340,764	–	–	–	340,764
Amount due to Aedge Resources	150,000	–	–	–	150,000
<b>Total</b>	<b>490,764</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>490,764</b>

As at the Latest Practicable Date, there were no outstanding amounts due from Mr Poh Soon Keng. We do not intend to extend any advances to Mr Poh Soon Keng following the Listing.

## INTERESTED PERSON TRANSACTIONS

### Advances to and from our Human Resource and Administration Director, Ms Tan Siew Lan

From time to time during the Relevant Period, our Human Resource and Administration Director, Ms Tan Siew Lan had granted advances to our subsidiaries, Aedge Holdings and Aedge Resources. During the Relevant Period, our subsidiary, Aedge Services, had from time to time granted advances to Ms Tan Siew Lan.

The advances to Ms Tan Siew Lan were not entered into on an arm's length basis, not on normal commercial terms and were prejudicial to our Group and minority shareholders, as they were interest-free, unsecured and had no fixed terms of repayment. The advances from Ms Tan Siew Lan were not entered into on an arm's length basis, not on normal commercial terms and were not prejudicial to our Group and minority shareholders, as they were interest-free, unsecured and had no fixed terms of repayment. The outstanding amounts owing to and by Ms Tan Siew Lan during the Relevant Period were as follows:

	As at 30 June 2018 (S\$)	As at 30 June 2019 (S\$)	As at 30 June 2020 (S\$)	1 July 2020 to the Latest Practicable Date (S\$)	Largest amount outstanding during the Relevant Period (based on year end balances) (S\$)
<b>Amount due to our Group comprising:</b>					
- Amount due to Aedge Services	6,576	-	-	-	6,576
<b>Total</b>	<b>6,576</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,576</b>
<b>Amount due from our Group comprising:</b>					
- Amount due from Aedge Holdings	28,678	16,617	-	-	28,678
- Amount due from Aedge Resources	20,000	-	-	-	20,000
<b>Total</b>	<b>48,678</b>	<b>16,617</b>	<b>-</b>	<b>-</b>	<b>48,678</b>

As at the Latest Practicable Date, there were no outstanding amounts due to or from Ms Tan Siew Lan. We do not intend to extend any advances to Ms Tan Siew Lan or obtain any advances from Ms Tan Siew Lan following the Listing.

## INTERESTED PERSON TRANSACTIONS

### PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

#### Guarantees and security provided by our Executive Chairman and CEO, Mr Poh Soon Keng and our Human Resource and Administration Director, Ms Tan Siew Lan

As at the Latest Practicable Date, our Executive Chairman and CEO, Mr Poh Soon Keng and our Human Resource and Administration Director, Ms Tan Siew Lan have provided the following guarantees/security as set out below:

Guarantees / Security provided to	Total amount of facilities granted (\$)	Amount guaranteed (\$)	Guarantee / Security provided by	Largest amount outstanding during the Relevant Period (based on year end balances) (\$)	Amount outstanding as at the Latest Practicable Date (\$)
DBS Bank Ltd. (Hire Purchase and Overdraft Facility)	6,450,000	6,450,000	Guarantee by Mr Poh Soon Keng and Ms Tan Siew Lan (on a joint and several basis)	4,706,577	1,073,487
Malayan Banking Berhad (Hire Purchase Facility)	3,594,500	3,594,500	Guarantee by Mr Poh Soon Keng and Ms Tan Siew Lan (on a joint and several basis)	1,604,235	597,199
Malayan Banking Berhad (Factoring Facility)	1,800,000	1,800,000	Guarantee by Mr Poh Soon Keng and Ms Tan Siew Lan (on a joint and several basis)	567,729	297,751
Malayan Banking Berhad (Temporary Bridging Loan)	3,000,000	3,000,000	Guarantee by Mr Poh Soon Keng and Ms Tan Siew Lan (on a joint and several basis)	3,000,000	3,000,000
DBS Bank Ltd (Temporary Bridging Loan)	1,500,000	1,500,000	Guarantee by Mr Poh Soon Keng and Ms Tan Siew Lan (on a joint and several basis)	0	1,500,000
Malayan Banking Berhad (Banker's Guarantee)	15,885	15,885	Charge on fixed deposit in the name of Ms Tan Siew Lan	15,885	0
Mercedes-Benz Financial Services Singapore (Hire Purchase Facility)	113,988	113,988	Guarantee by Mr Poh Soon Keng	113,988	62,321

None of the above guarantees and/or security imposes any restrictions or conditions on the shareholdings and/or directorships of Mr Poh Soon Keng or Ms Tan Siew Lan in our Group. Neither Mr Poh Soon Keng nor Ms Tan Siew Lan has received any benefit-in-kind, commission or interest from our Group for providing the above guarantees and security. Accordingly, the provision of such guarantees and security was not made on an arm's length basis and not on normal commercial terms but was nonetheless not prejudicial to the interests of our Group and our minority Shareholders.

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## INTERESTED PERSON TRANSACTIONS

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Following the Listing, Mr Poh Soon Keng and Ms Tan Siew Lan intend to obtain a release and discharge of the above guarantees and security and replace them with corporate guarantees provided by our Group. Our Directors do not expect any material change in the terms and conditions of the relevant agreements arising from the release and discharge of the above guarantees and security. Should any of the financial institutions be unwilling to release and discharge any of the above guarantees and/or security and we fail to secure alternative facilities on terms similar to those applicable to the relevant agreements, Mr Poh Soon Keng and Ms Tan Siew Lan have irrevocably and unconditionally undertaken that they will continue to provide the guarantees and security for the benefit of our Group.

### **GUIDELINES AND REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS**

To ensure that future transactions with interested persons (as defined under Chapter 9 of the Catalyst Rules) are undertaken on normal commercial terms, will not be prejudicial to the interests of our Group and our minority Shareholders, and are consistent with our Group's usual business practices, which are generally no more favourable than those extended to unrelated third parties, the following procedures will be implemented by our Group:

- (a) when purchasing items from or engaging the services of interested persons, the prices and terms of at least two (2) other comparative offers (where appropriate) from unrelated third parties will be used as comparison wherever possible. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two (2) comparative offers (where appropriate) from unrelated third parties. In determining the most competitive price or fee, all pertinent factors, including but not limited to quantity, quality, requirements, specifications, delivery time and track record will be taken into consideration;
- (b) when selling items or providing services to interested persons, the prices and terms of at least two (2) other completed transactions of similar nature and size to unrelated third parties are to be used as comparison wherever possible. The sale price or fee for the supply of services shall not be lower than the lowest sale price or fee of the other two (2) completed transactions to unrelated third parties;
- (c) when leasing property from or to interested persons, our Directors shall take appropriate steps to ensure that the amount of rent for such lease is commensurate with the prevailing market rates, including adopting measures such as making relevant enquiries with landlords of properties of similar location and size, or obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where appropriate). The rent payable shall be based on the most competitive market rate of similar properties in terms of size and location, based on the results of the relevant enquiries; and
- (d) where the products and/or services may only be purchased from an interested person and it is not possible to compare against the terms of other transactions with unrelated third parties, the interested person transaction will be approved by our Chief Financial Officer, if he has no interest in the transaction, or failing which, our Audit Committee, in accordance with our Group's usual business practices and policies. In determining the transaction price payable to the interested person for such products and/or service, factors such as, but not limited to, quantity, quality, requirements and specifications will be taken into account.

All interested person transactions above S\$100,000 are to be approved by a Director who shall not be an interested person in respect of the particular transaction. Any contract to be made with an interested person shall not be approved unless the pricing is determined in accordance with our Group's usual business practices and policies, consistent with the usual margin given or price received by our Company for the same or substantially similar type of transactions between our Company and unrelated third parties and the terms are not more favourable to the interested person than those extended to or received from unrelated third parties. For the purposes above, where applicable, contracts for the same or substantially similar type of transactions entered into between our Company and unrelated third parties will be used as a basis for comparison to determine whether the price and terms offered to or received from the interested person are not more favourable than those extended to unrelated third parties.

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## INTERESTED PERSON TRANSACTIONS

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In addition, we shall monitor all interested person transactions entered into by our Company by categorising the transactions as follows:

- (a) a “Category 1” interested person transaction is one where the value thereof is equal to or in excess of 3.0% of the NTA of our Group based on the latest audited accounts; and
- (b) a “Category 2” interested person transaction is one where the value thereof is below 3.0% of the NTA of our Group based on the latest audited accounts.

“Category 1” interested person transactions must be reviewed and approved by our Audit Committee prior to entry. “Category 2” interested person transactions need not be approved by the Audit Committee prior to entry but must be approved by the Chief Financial Officer prior to entry and must be reviewed on a half-yearly basis by our Audit Committee. In its review, our Audit Committee will ensure that all future interested person transactions are conducted on normal commercial terms and are not prejudicial to the interests of our Group and our minority Shareholders.

In respect of all interested person transactions, we shall adopt the following policies:

- (a) Our Audit Committee will review all interested person transactions to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Catalist Rules) are complied with.
- (b) In the event that a member of our Audit Committee is interested in any interested person transaction, he will abstain from deliberating, reviewing and/or approving that particular transaction.
- (c) We shall maintain a register to record all interested person transactions which are entered into by our Group, including any quotations obtained from unrelated third parties to support the terms of the interested person transactions.
- (d) We shall incorporate into our internal audit plan a review of all interested person transactions entered into by our Group.
- (e) Our Audit Committee shall review the internal audit reports at least on an annual basis to ensure that all interested person transactions are carried out on an arm’s length basis and in accordance with the procedures outlined above. Furthermore, if during these periodic reviews, our Audit Committee believes that the guidelines and procedures as stated above are not sufficient to ensure that the interests of our minority Shareholders are not prejudiced, we will adopt new guidelines and procedures. The Audit Committee may request for an independent financial adviser’s opinion as it deems fit.

In addition, we are subject to the rules prescribed in the Catalist Rules. As such, we will also comply with the provisions in Chapter 9 of the Catalist Rules in respect of all future interested person transactions, and if required under the Catalist Rules, we will seek our independent Shareholders’ approval (where necessary) for such transactions.

## POTENTIAL CONFLICTS OF INTERESTS

Generally, a conflict of interests arises when any of our Directors, CEO, Controlling Shareholders and/or their Associates is carrying on the same business or dealing in similar products or services as our Group (“**Similar or Competing Business**”). Save as disclosed below, none of Directors, CEO, Controlling Shareholders and/or their Associates is carrying on a Similar or Competing Business.

### (i) **Kaason**

Kaason is a company incorporated in Singapore on 12 January 2007. As at the Latest Practicable Date, our Executive Chairman and CEO, Mr Poh Soon Keng, owns 50.0% of the issued and paid-up share capital of Kaason. Mr Poh Soon Keng is a non-executive director of Kaason and is not involved in the management or operations of Kaason. As part of the Restructuring

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## INTERESTED PERSON TRANSACTIONS

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Exercise, our Group acquired the Kaoson Assets and consolidated its operations and customers under our Group. Our Directors decided to acquire the Kaoson Assets instead of acquiring the entity Kaoson taking into consideration factors such as that the Group does not require the entity Kaoson to operate its business as such operations can be undertaken by Aedge Technologies. In addition, an asset acquisition allows our Group to ensure that we only acquire the assets we have identified and we do not undertake any unknown legal risks or liabilities that may arise through the acquisition of an entity. After the sale of the Kaoson Assets in April 2019 to Aedge Holdings and Aedge Technologies, Kaoson has remained dormant.

Our Board is of the view that there are no potential conflicts of interest arising from Mr Poh Soon Keng being a shareholder and director of Kaoson as: (i) Mr Poh Soon Keng does not have any executive role in the management of Kaoson; (ii) Kaoson is a dormant company; and (iii) the shareholders of Kaoson and Kaoson have provided the Kaoson Deed of Undertaking and Non-Competition (as defined below).

### (ii) NZE

NZE is a company incorporated in Malaysia on 5 April 2013. As at the Latest Practicable Date, our Executive Chairman and CEO, Mr Poh Soon Keng, and his spouse, our Human Resource and Administration Director, Ms Tan Siew Lan, owns 48.0% and 1.0% of the issued and paid-up share capital of NZE respectively. Mr Poh Soon Keng is also a non-executive director of NZE and is not involved in the management or operations of NZE. NZE was engaged in the business of providing engineering services in West Malaysia, including the supply of semi-skilled workers, the sale and rental of scaffold components, and also insulation and passive fire protection services and has been inactive since end of 2018.

Our Board is of the view that there are no potential conflicts of interest arising from Mr Poh Soon Keng and Ms Tan Siew Lan being shareholders and Mr Poh Soon Keng being a non-executive director of NZE as: (i) Mr Poh Soon Keng does not have any executive role in the management of NZE; (ii) NZE operates only in West Malaysia. The Group does not have any business in West Malaysia and currently does not intend to expand to West Malaysia; (iii) Mr Poh Soon Keng and Ms Tan Siew Lan have provided the NZE Call Option and ROFR Agreement (as defined below); and (iv) NZE has provided the NZE Deed of Non-Competition (as defined below). The Group has not explored the possibility of acquiring NZE as part of the Restructuring Exercise as (i) the revenue of NZE was not material and it has been inactive since end 2018; and (ii) the Group does not have any business in West Malaysia and currently does not intend to expand to West Malaysia.

### (iii) E Constructor

E Constructor is a company incorporated in Singapore on 5 December 2012. As at the Latest Practicable Date, our Executive Director and CEO, Mr Poh Soon Keng, and his spouse, our Human Resource and Administration Director, Ms Tan Siew Lan, each owns 50.0% of the issued and paid-up share capital of E Constructor. Mr Poh Soon Keng is a non-executive director of E Constructor and is not involved in the management or operations of E Constructor. E Constructor was engaged in the business of building construction and has been dormant since June 2019. As at the Latest Practicable Date, E Constructor is gazetted to be struck off.

Our Board is of the view that there are no potential conflicts of interest arising from Mr Poh Soon Keng and Ms Tan Siew Lan being shareholders and Mr Poh Soon Keng being a non-executive director of E Constructor as: (i) Mr Poh Soon Keng does not have any executive role in the management of E Constructor; (ii) E Constructor is a dormant company and is gazetted to be struck off; and (iii) the shareholders of E Constructor and E Constructor have provided the E Constructor Deed of Undertaking (as defined below).

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## INTERESTED PERSON TRANSACTIONS

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### Mitigation of any potential conflict of interest

To mitigate any potential conflict of interest, we have in place the following safeguards and measures:

- (a) By way of a Deed of Undertaking and Non-Competition dated 24 March 2020 (“**Kaason Deed of Undertaking and Non-Competition**”), each of Mr Poh Soon Keng, Mr Tay Choon Wah (an unrelated employee who holds 3.2% of the Shares upon completion of the Placement, and who owns the other 50.0% of the issued and paid-up share capital of Kaason and is a director of Kaason) and Kaason, subject to the terms therein, irrevocably and unconditionally agrees and undertakes that Kaason shall not and Mr Poh Soon Keng and Mr Tay Choon Wah shall procure that Kaason shall not conduct any business activity and shall remain dormant. Mr Poh Soon Keng has also undertaken not to transfer any of his shareholding in Kaason to his Associates without the prior written approval of our Company with the concurrence of our Audit Committee.

The Kaason Deed of Undertaking and Non-Competition shall terminate upon the happening of any of the following events:

- (i) when Mr Poh Soon Keng and/or his Associates are not a director, chief executive officer or controlling shareholder of our Company; or
- (ii) subsequent to the Listing, our Shares ceasing to be listed and traded on the SGX-ST; or
- (iii) both Mr Poh Soon Keng and Mr Tay Choon Wah and/or their Associates ceasing to be shareholders of Kaason,

whichever is the earliest.

- (b) By way of an agreement dated 24 March 2020 (“**NZE Call Option and ROFR Agreement**”), Mr Poh Soon Keng and Ms Tan Siew Lan have agreed to grant to our Company a call option (“**Call Option**”) to acquire from them all the shares that they may from time to time hold in NZE (“**Option Shares**”), and a right of first refusal (“**ROFR**”) in respect of the sale or transfer of the Option Shares by him and her, subject to the terms of the NZE Call Option and ROFR Agreement.

The exercise price of the Call Option for the Option Shares shall be the fair market value of the Option Shares as determined by an independent appraiser (“**Appraiser**”). The Appraiser shall be jointly appointed by our Company and Mr Poh Soon Keng and/or Ms Tan Siew Lan (as the case may be) and shall be approved by our Audit Committee.

In relation to the ROFR, in the event Mr Poh Soon Keng and/or Ms Tan Siew Lan desires to sell or transfer any of the Option Shares to a third party after the Listing, Mr Poh Soon Keng and/or Ms Tan Siew Lan shall give our Company notice in writing of such desire stating the terms and price. Our Company shall then be entitled to purchase such Option Shares within 45 days from the date of notice (or such extended dates as may be agreed by all parties), and Mr Poh Soon Keng and/or Ms Tan Siew Lan shall sell such Option Shares on the same terms and price. In the event our Company does not apply to purchase the Option Shares or fails to or does not complete the purchase of the Option Shares or our Company does not exercise the Call Option, within the specified period above, Mr Poh Soon Keng and/or Ms Tan Siew Lan shall be entitled to sell the Option Shares to other parties at a price and on terms no more favourable than as had been offered to our Company.

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## INTERESTED PERSON TRANSACTIONS

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The Call Option and ROFR Agreement shall terminate upon the happening of any of the following events:

- (i) when Mr Poh Soon Keng and/or his Associates are not a director, chief executive officer or controlling shareholder of our Company; or
- (ii) subsequent to the Listing, our Shares ceasing to be listed and traded on the SGX-ST; or
- (iii) Mr Poh Soon Keng and/or his Associates ceasing to be shareholders of NZE,

whichever is the earliest.

The exercise of the Call Option or ROFR would be considered an interested person transaction and would be subject to our Group's guidelines and review procedures, including the review and where required, the approval by our Audit Committee. Please refer to the section entitled "Interested Person Transactions – Guidelines And Review Procedures For Future Interested Person Transactions" of this Offer Document for further details.

- (c) By way of a Deed of Non-Competition dated 24 March 2020 ("**NZE Deed of Non-Competition**"), NZE subject to the terms therein, irrevocably and unconditionally agrees and undertakes that it will not in any capacity either alone or jointly with, through or on behalf of any person or entity, either directly or indirectly, carry on or be employed, engaged, concerned, provide expertise or be interested in any Similar or Competing Business, whether as a shareholder of such Similar or Competing Business or otherwise outside of West Malaysia where NZE has operated. Our Group does not have any business in West Malaysia and currently does not intend to expand to West Malaysia.

The NZE Deed of Non-Competition shall terminate upon the happening of any of the following events:

- (i) when Mr Poh Soon Keng and/or his Associates are not a director, chief executive officer or controlling shareholder of our Company; or
- (ii) subsequent to the Listing, our Shares ceasing to be listed and traded on the SGX-ST; or
- (iii) Mr Poh Soon Keng and/or his Associates ceasing to be shareholders of NZE,

whichever is the earliest.

- (d) By way of a Deed of Undertaking dated 24 March 2020 ("**E Constructor Deed of Undertaking**"), E Constructor, Mr Poh Soon Keng and Ms Tan Siew Lan, subject to the terms therein, irrevocably and unconditionally agrees and undertakes that E Constructor shall and Mr Poh Soon Keng and Ms Tan Siew Lan shall procure that E Constructor shall not conduct any business activity and shall remain dormant until it is struck off.

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## INTERESTED PERSON TRANSACTIONS

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- (e) By way of a Deed of Non-Competition dated 24 March 2020 (“**PSK Deed of Non-Competition**”), Mr Poh Soon Keng, subject to the terms therein, irrevocably and unconditionally agrees and undertakes that save for the conduct of business by NZE:
- (i) he will not, and shall procure that his Associates (whether present or future) shall not, in any capacity either alone or jointly with, through or on behalf of any person or entity, either directly or indirectly, carry on or be employed, engaged, concerned, provide expertise or be interested in any Similar or Competing Business, whether as a shareholder of such Similar or Competing Business or otherwise;
  - (ii) he will not, and shall procure that his Associates (whether present or future) shall not, either on his own account or in conjunction with or on behalf of any other person, firm or company, either directly or indirectly, solicit or entice away or attempt to solicit, interfere with or endeavour to entice away from any Group Company, the customer of any person or entity who at any time in the one (1) year before the date of commencement of the PSK Non-Compete Term (as defined below) and/or during the PSK Non-Compete Term is a supplier, customer, client, agent, trader, distributor or correspondent of our Group or in the habit of dealing with our Group;
  - (iii) he will not, and shall procure that his Associates (whether present or future) shall not, either on his own account or in conjunction with or on behalf of any other person, firm or company, either directly or indirectly, solicit or entice away or attempt to solicit, interfere with or endeavour to entice away from any Group Company any person who at any time during the PSK Non-Compete Term is an officer, manager or employee of our Group whether or not such person would commit a breach of his contract of employment by reason of leaving such employment;
  - (iv) he will not, and shall procure that his Associates (whether present or future) shall not, either directly or indirectly, make use of or disclose or divulge to any third party any trade secrets or confidential information concerning the business, accounts or finances of any Group Company or any of its suppliers and customers’ transactions or affairs to any person whatsoever, other than any information properly available to the public or disclosed or divulged pursuant to an order of a court of competent jurisdiction;
  - (v) he shall not, and shall procure that his Associates (whether present or future) shall not, directly or indirectly, share resources (including but not limited to information on employees, customers and suppliers), marketing campaigns, trade secrets, operational premises and facilities with any person, company or entity engaged in any Similar or Competing Business;
  - (vi) he shall not, and shall procure that his Associates (whether present or future) shall not, directly or indirectly, either alone or jointly with, through or on behalf of any person, company or entity, assist any person, company or entity engaged in any Similar or Competing Business in any way, including but not limited to managing, providing technical or other advice, financial assistance or otherwise;
  - (vii) in relation to any trade, business or company, he shall not, and will procure that his Associates (whether present or future) shall not, either directly or indirectly, use any trade name, logo, trademark or symbol used by our Group at present or in the future (whether registered or not, including but not limited to such words and graphs as “Aedge”) in such a way as to be capable of being or likely to be confused with the name of our Company or any Group Company, and shall use all reasonable endeavours to procure that no such name shall be used by any person, firm or company with which he is connected; and
  - (viii) he shall inform our Company immediately should he be aware that any breach of any terms as set out in sub-paragraphs (i) to (vii) above is imminent, likely or has taken place.

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## INTERESTED PERSON TRANSACTIONS

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These non-competition obligations shall not apply to the direct or indirect holding of any securities of an issuer listed on a stock exchange, provided that (a) such securities do not exceed 5.0% of the total voting rights of the issuer at any time; and (b) he is not involved in the management and operations of such issuer.

The non-competition obligations under the PSK Non-Competition Deed shall take effect on the date on which our Shares commence trading on Catalist and shall terminate upon the happening of any of the following events:

- (a) when Mr Poh Soon Keng and/or his Associates are not a director, chief executive officer or controlling shareholder of our Company; or
- (b) subsequent to the Listing, our Shares ceasing to be listed and traded on the SGX-ST,

whichever is the earliest (“**PSK Non-Compete Term**”).

We also believe that any potential conflicts of interest, whether with our Directors, CEO, Controlling Shareholders and/or their respective Associates, are mitigated as follows:

- (a) our Directors have a duty to disclose their interests in respect of any contract, proposal, transaction or any other matter whatsoever in which they have any personal material interest, directly or indirectly, or any actual or potential conflicts of interest (including conflicts of interest that arise from any of their directorships or executive positions or personal investments in any other corporations) that may involve them. Upon such disclosure, such Directors shall not participate in any proceedings of our Board, and shall in any event abstain from voting in respect of any such contract, proposal, transaction or any other matter whatsoever in which the conflict of interest arises, unless and until our Audit Committee has determined that no such conflict of interest exists. Notwithstanding the aforesaid, such Directors may be counted in the quorum present at the meeting;
- (b) our Audit Committee is required to examine the internal control procedures and review procedures put in place by our Company to determine if such procedures put in place are sufficient to ensure that interested person transactions are conducted on normal commercial terms and will not be prejudicial to our Group and our minority Shareholders;
- (c) our Audit Committee will review any actual or potential conflicts of interest that may involve our Directors as disclosed by them to our Board. Upon such disclosure of an actual or potential conflict of interest by a Director, our Audit Committee will consider whether a conflict of interest does in fact exist. A Director who is a member of our Audit Committee will not participate in any proceedings of our Audit Committee in relation to the review of a conflict of interest relating to him. The review will include an examination of the nature of the conflict and such relevant supporting data, as our Audit Committee may deem reasonably necessary;
- (d) our Audit Committee will also monitor the investments in our customers, suppliers and/or competitors made by our Directors, CEO, Controlling Shareholders and/or their respective Associates who are involved in the management of and/or have shareholding interests in a similar or related business of our Group (to the extent disclosed by them to our Board) and make assessments on whether there are any potential conflicts of interest; and

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## **INTERESTED PERSON TRANSACTIONS**

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- (e) our Audit Committee will, following the Listing, undertake the following additional responsibilities:
  - (i) review on a periodic basis the framework and processes established above for the implementation of the terms of reference in order to ensure that such framework and processes remain appropriate;
  - (ii) review and assess from time to time whether additional processes are required to be put in place to manage any conflicts of interest with our Directors, CEO, Controlling Shareholders and/or their respective Associates and propose, where appropriate, the relevant measures for the management of such conflicts; and
  - (iii) review and propose, where appropriate, the relevant measures for the management of all conflicts of interest matters referred to it.

Save as disclosed in the sections entitled “Interested Person Transactions” and “Restructuring Exercise” of this Offer Document, none of our Directors, Executive Officers, Controlling Shareholders and/or any of their Associates has had any interest, direct or indirect, in the following:

- (a) any transactions to which any of our Group Companies was or is to be a party;
- (b) any company carrying on a Similar or Competing Business;
- (c) any company that is our customer, principal or other supplier of goods or services; and
- (d) any existing contract or arrangement which was or is significant in relation to the business of our Group.

### **INTERESTS OF EXPERTS**

None of the experts, if any, named in this Offer Document:

- (a) is employed on a contingent basis by our Company or any of our subsidiaries;
- (b) has a material interest, whether direct or indirect, in our Shares or in the shares of our subsidiaries; or
- (c) has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.

### **INTERESTS OF THE SPONSOR, ISSUE MANAGER AND PLACEMENT AGENT**

In the reasonable opinion of our Directors, save as disclosed below and in the section entitled “General and Statutory Information – Sponsorship, Management and Placement Arrangements” of this Offer Document, our Company does not have any material relationship with UOBKH:

- (a) UOBKH is the sponsor, issue manager and placement agent in relation to the Placement and Listing;
- (b) UOBKH will be the continuing sponsor of our Company for a period of three (3) years from the date our Company is admitted and listed on Catalist; and
- (c) UOBKH may at any time offer or provide services to the Company and its Shareholders in investment banking, securities trading, research and/or advisory services.

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## DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

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### DIRECTORS

The Board of Directors is entrusted with the responsibility for the overall management of our Group. The particulars of our Directors as at the date of this Offer Document are set out below:

Name	Age	Designation in our Company	Address
Mr Poh Soon Keng	67	Executive Chairman and CEO	c/o 4009 Ang Mo Kio Avenue 10 #04-33 Techplace 1 Singapore 569738
Mr Foo Der Rong	67	Executive Director (Corporate Development)	c/o 4009 Ang Mo Kio Avenue 10 #04-33 Techplace 1 Singapore 569738
Mr Hoon Tai Meng	68	Lead Independent Director	c/o 4009 Ang Mo Kio Avenue 10 #04-33 Techplace 1 Singapore 569738
Mr Teo Joo Huak	70	Independent Director	c/o 4009 Ang Mo Kio Avenue 10 #04-33 Techplace 1 Singapore 569738
Mr Goh Joon Lian	68	Independent Director	c/o 4009 Ang Mo Kio Avenue 10 #04-33 Techplace 1 Singapore 569738

The working and business experience and general areas of responsibility of our Directors within our Group are set out below:

**Mr Poh Soon Keng** is the founder of our Group and is currently our Executive Chairman and CEO, and was appointed to our Board on 3 October 2019. He has over 19 years of experience leading and expanding our Group's business. He founded each of the Group Companies, with the earliest being Aedge Technologies in 2000. Mr Poh is primarily responsible for the overall management, operations and strategic direction of our Group.

Mr Poh obtained a Bachelor of Arts degree conferred by Nanyang University (merged with University of Singapore in 1980 to form the present National University of Singapore ("NUS")) in 1976.

**Mr Foo Der Rong** joined our Group in June 2019 and is currently our Executive Director (Corporate Development), and was appointed to our Board on 4 March 2020. He is responsible for corporate development, mergers and acquisitions and strategic planning. Mr Foo is also currently appointed as a corporate advisor to At-Sunrice GlobalChef Academy Pte Ltd., a school providing culinary, pastry, baking, and food and beverage service courses in Singapore, serving a non-executive advisory function. Prior to joining our Group, he was the managing director and chief executive officer of Intraco Limited from 2013 to 2015. He was executive director of Hanwell Holdings Limited (formerly PSC Corporation Ltd) from 1990 to 2012, and served as managing director and chief executive officer of the company from 2002 to 2012. Mr Foo was also an executive director of Sin Lian Holding Ltd (a subsidiary of Lian Beng Group Ltd) from May 2012 to December 2012.

Mr Foo obtained a Bachelor of Commerce from Nanyang University (the present NUS) in 1976.

**Mr Hoon Tai Meng** is our Lead Independent Director and was appointed to our Board on 24 March 2020. Mr Hoon is presently a senior consultant at RHTLaw Asia LLP ("**RHT**"). Prior to joining RHT, he was an executive director of Chip Eng Seng Corporation Ltd for seven (7) years and was a director of Chip Eng Seng Corporation Ltd for a total of 19 years. He practised law in T M Hoon & Co. Advocates & Solicitors and KhattarWong Advocates & Solicitors for 14 years covering the areas of civil litigation, real estate, construction law, insolvency, corporate and capital markets.

Mr Hoon, a lawyer and accountant by profession, besides having more than 16 years of experience in law practice, also has around 20 years of experience in financial planning and management, as well as audit, tax and corporate secretarial functions. He was also a registered professional with the SGX-ST rendering continuing sponsorship services to companies listed on the Catalist.

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## DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

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Mr Hoon obtained a Bachelor of Commerce (Accountancy) from Nanyang University (the present NUS) in 1976 and a Bachelor of Laws from the University of London in 1993. He is a Certified Public Accountant in Singapore, Fellow of the Chartered Institute of Management Accountants FCMA (UK), Fellow of the Association of Chartered Certified Accountants FCCA (UK), Chartered Global Management Accountant CGMA, Barrister-at-law (Middle Temple), and Associate of the Chartered Institute of Arbitrators MSIArb (Singapore).

**Mr Teo Joo Huak** is our Independent Director and was appointed to our Board on 24 March 2020. He is currently a retiree and had served as general manager at Trans-Island Buses Services/TIBS Holdings Ltd group of companies from 1984 to 2004.

Mr Teo obtained a Bachelor of Accountancy from the University of Singapore (the present NUS) in 1977.

**Mr Goh Joon Lian** is our Independent Director and was appointed to our Board on 24 March 2020. He is currently a retiree and had worked at Shell Singapore since 1999 and was the regional chairman of Shell South China when he left the company in 2012. He worked at Esso Singapore from 1979 to 1999 and at Sembawang Shipyard from 1976 to 1979.

Mr Goh obtained a Bachelor of Science with First Class Honours (Mechanical Engineering) from the University of Surrey, United Kingdom in 1976.

The list of present and past directorships of each Director over the last five (5) years excluding those held in our Company is set out below:

Name	Present Directorships	Past Directorships
Mr Poh Soon Keng	<u>Group Companies</u> Aedge Holdings Aedge Technologies Aedge Services Aedge Resources SAE Resources  <u>Other Companies</u> ACE E Constructor (Gazetted to be Struck off) Kaoson NZE PTCC	<u>Group Companies</u> Nil  <u>Other Companies</u> Nil
Mr Foo Der Rong	<u>Group Companies</u> Aedge Holdings  <u>Other Companies</u> Matex International Limited Noel Gifts International Ltd Pavillon Holdings Ltd SLB Development Ltd Southern Lion Sdn Bhd Tian International Pte Ltd	<u>Group Companies</u> Nil  <u>Other Companies</u> Intraco Limited K.A. Building Construction Pte Ltd K.A. Fabric Shutters Pte Ltd K.A. FireLite Pte Ltd K.A. Fireproofing Pte Ltd K.A. Firespray Sdn Bhd K.A. Group Holdings Pte Ltd Tat Hong Intraco Heavy Equipment Co., Ltd Tat Hong Intraco Pte Ltd

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## DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

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Name	Present Directorships	Past Directorships
Mr Hoon Tai Meng	<p><u>Group Companies</u> Nil</p> <p><u>Other Companies</u> Ee Hoe Hean Club Federal International (2000) Ltd Hock Lian Seng Holdings Ltd Koufu Group Ltd Sin Ghee Huat Corporation Ltd</p>	<p><u>Group Companies</u> Nil</p> <p><u>Other Companies</u> ACP Metal Finishing Pte Ltd Ardille Pte Ltd CEL-Alexandra Pte. Ltd. CEL-Changi Pte. Ltd. CEL-Yishun (Commercial) Pte. Ltd. CEL-Yishun (Residential) Pte. Ltd. CES Land Pte. Ltd. (Dissolved) CEL Property Pte. Ltd. CEL Property Investment (Australia) Pte. Ltd. CEL Property Investment Pte. Ltd. CEL Real Estate Development Pte. Ltd. CEL Property (M) Pte. Ltd. CEL-Fort Pte. Ltd. CES-NB Holdings Pte. Ltd. CES-West Coast Pte. Ltd. (Dissolved) CES-VH Holdings Pte. Ltd. CES-Vietnam Holdings Pte. Ltd. CES Building and Construction Pte. Ltd. CES Capital Holdings Pte. Ltd. CES Engineering and Construction Pte. Ltd. CES Investment (Vietnam) Pte. Ltd. CES Management (Vietnam) Pte. Ltd. CEL Unique Pte. Ltd. CEL Unique Holdings Pte. Ltd. CEL Unique Development Pte. Ltd. Chip Eng Seng Construction Pte. Ltd. Chip Eng Seng Corporation Ltd Cocoaorient Pte Ltd Fernvale Development Pte. Ltd. Grange Properties Pte. Ltd. (Dissolved) LGB-NB Pte. Ltd. (Dissolved) Pasir Ris EC Pte. Ltd. Pavillon Holdings Ltd PH Properties Pte. Ltd. (Dissolved) Punggol Field EC Pte. Ltd. (Dissolved)</p>
Mr Teo Joo Huak	<p><u>Group Companies</u> Nil</p> <p><u>Other Companies</u> Flying Colours China Ltd Flying Colours International (HK) Ltd Healthy Home (HK) Ltd High Flyers (Macau) Ltd</p>	<p><u>Group Companies</u> Nil</p> <p><u>Other Companies</u> J2 Capital Pte Ltd (Struck Off) N.S.M. Services Pte Ltd (Struck Off)</p>

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## DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

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Name	Present Directorships	Past Directorships
Mr Goh Joon Lian	<u>Group Companies</u>	<u>Group Companies</u>
	Nil	Nil
	<u>Other Companies</u>	<u>Other Companies</u>
	Nil	Nil

Save for Mr Foo and Mr Hoon, our Directors do not have prior experiences as directors of public listed companies in Singapore but have received relevant training to familiarise themselves with the roles and responsibilities of a director of a public listed company in Singapore. Mr Poh, Mr Teo and Mr Goh have completed “LED1 – Listed Entity Director Essentials” conducted by the Singapore Institute of Directors and they will complete the rest of the programmes in compliance with the requirements in Practice Note 4D of the Catalyst Rules.

### EXECUTIVE OFFICERS

The day-to-day operations are entrusted to our Executive Directors who are assisted by a team of Executive Officers. The particulars of our Executive Officers as at the date of this Offer Document are set out below:

Name	Age	Designation in our Company	Address
Mr Yeo Mui Hong	56	Chief Operating Officer (Security and Manpower)	c/o 4009 Ang Mo Kio Avenue 10 #04-33 Techplace 1 Singapore 569738
Mr Ng Choon Beng	55	Chief Operating Officer (Engineering)	c/o 4009 Ang Mo Kio Avenue 10 #04-33 Techplace 1 Singapore 569738
Mr Loh Siew Keen	64	Chief Financial Officer	c/o 4009 Ang Mo Kio Avenue 10 #04-33 Techplace 1 Singapore 569738
Ms Tan Siew Lan	66	Human Resource and Administration Director	c/o 4009 Ang Mo Kio Avenue 10 #04-33 Techplace 1 Singapore 569738
Ms Tan Ah Hwa	64	Operations Director (Transport)	c/o 4009 Ang Mo Kio Avenue 10 #04-33 Techplace 1 Singapore 569738

The working and business experience and general areas of responsibility of our Executive Officers within our Group are set out below:

**Mr Yeo Mui Hong** joined our Group in September 2020 and is currently our Chief Operating Officer (Security and Manpower). He is our division head for our Group’s security and manpower services business segment and is responsible for overseeing the management and operations of this business segment. Prior to joining our Group, he was chief operating officer of Concorde Security Pte Ltd from October 2019 to February 2020 and was in charge of the sales team and technical operations team. Between 1994 and 2019, Mr Yeo worked at Fuji Xerox Singapore Pte Ltd as director of sales, where he was responsible for formulating the sales strategy and leading the sales force to sell a range of digital products and software solutions to achieve the company’s annual sales target and business growth.

Mr Yeo obtained a Bachelor of Business Administration from Thames Valley University (now known as University of West London) in 1997.

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## DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

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**Mr Ng Choon Beng** joined our Group in October 2015 and is currently our Chief Operating Officer (Engineering). He is our division head for our Group's engineering services business segment and is responsible for overseeing the management and operations of this business segment. Between 1990 to 2015, Mr Ng served as the regional business development director of SGB Aluma Singapore Pte Ltd and assisted in the business development and management aspects of the business.

Mr Ng holds an honours degree in Bachelor of Engineering (Civil) and a Master's degree in Business Administration conferred by the University of Newcastle upon Tyne in 1989 and 1990 respectively.

**Mr Loh Siew Keen** joined our Group in November 2018 and is currently our Chief Financial Officer. He heads our Group's finance department and is responsible for overseeing our Group's finance, tax and corporate secretarial matters. Between 2014 to 2018, he was the head of finance at Bukit Sembawang Estates Limited, a company involved in the business of real estate development. From 2009 to 2014, Mr Loh served as the group financial controller at Amara Holdings Ltd, a company involved in the business of hotel operations and real estate development. He was responsible for the finance, tax and corporate secretarial functions at the aforementioned companies.

Mr Loh graduated with a Bachelor of Accountancy from the University of Singapore (the present NUS) in 1980. He has been a member of the Institute of Singapore Chartered Accountants since 1981.

**Ms Tan Siew Lan** joined the Group in January 2010 and is our Human Resource and Administration Director. She heads our Group's human resources and administration department and is responsible for the human resources and administrative management of the Group.

Ms Tan obtained a Bachelor of Arts (Geography) from Nanyang University (the present NUS) in 1976.

**Ms Tan Ah Hwa** joined the Group in October 2007 and is our Operations Director (Transport). She is our division head for our Group's transport services business segment and is responsible for the overall management, operations, strategic planning of this business segment. Ms Tan Ah Hwa finished Secondary Two with Upper Thomson Secondary School in 1970.

The list of present and past directorships of each Executive Officer over the last five (5) years is set out below:

Name	Present Directorships	Past Directorships
Mr Yeo Mui Hong	<u>Group Companies</u> Nil	<u>Group Companies</u> Nil
	<u>Other Companies</u> Nil	<u>Other Companies</u> Nil
Mr Ng Choon Beng	<u>Group Companies</u> Aedge Technologies SAE Resources	<u>Group Companies</u> Nil
	<u>Other Companies</u> Nil	<u>Other Companies</u> Harsco Infrastructure Equipment Leasing (Beijing) Co. Ltd Harsco Infrastructure Zhejiang Co. Ltd NZE SGB Aluma Singapore Pte Ltd
Mr Loh Siew Keen	<u>Group Companies</u> Nil	<u>Group Companies</u> Nil
	<u>Other Companies</u> Nil	<u>Other Companies</u> Nil

## DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Name	Present Directorships	Past Directorships
Ms Tan Siew Lan	<u>Group Companies</u> Aedge Holdings Aedge Resources	<u>Group Companies</u> Nil
	<u>Other Companies</u> Nil	<u>Other Companies</u> NZE
Ms Tan Ah Hwa	<u>Group Companies</u> Aedge Holdings Aedge Technologies	<u>Group Companies</u> Nil
	<u>Other Companies</u> Nil	<u>Other Companies</u> Nil

Save as disclosed below, none of our Directors and Executive Officers has any family relationship with another of our Director, Executive Officer or Substantial Shareholder:

- (a) Mr Poh Soon Keng is the husband of Ms Tan Siew Lan, brother-in-law of Ms Tan Ah Hwa, and father of Ms Poh Pei Chi and Mr Poh Cher Ying.
- (b) Ms Tan Siew Lan is the wife of Mr Poh Soon Keng, sister of Ms Tan Ah Hwa, and mother of Ms Poh Pei Chi and Mr Poh Cher Ying.
- (c) Ms Tan Ah Hwa is the sister of Ms Tan Siew Lan, sister-in-law of Mr Poh Soon Keng, and aunt of Ms Poh Pei Chi and Mr Poh Cher Ying.

None of our Directors or Executive Officers has any arrangement or understanding with any of our Substantial Shareholders, customers or suppliers pursuant to which such person was appointed as our Director or Executive Officer.

The Group has in place measures for management succession planning and will periodically review the same at least once annually.

### DIRECTORS OF OUR PRINCIPAL SUBSIDIARIES

For FY2020, the directors and statutory auditors of our subsidiaries whose latest audited consolidated pre-tax profits (excluding the minority interest relating to that subsidiary) as compared with the latest audited consolidated pre-tax profits of our Group (excluding the minority interest relating to that subsidiary) accounts for 20.0% or more of such pre-tax profits of our Group are:

<u>Subsidiary</u>	<u>Directors</u>	<u>Statutory Auditors</u>
Aedge Holdings	Mr Poh Soon Keng Mr Foo Der Rong Ms Tan Siew Lan Ms Tan Ah Hwa	KPMG LLP
Aedge Services	Mr Poh Soon Keng Mr Ong Blaise Jude	KPMG LLP

In determining profits, exceptional and extraordinary items are to be excluded.

Mr Ong Blaise Jude is an employee of our Group (as an operations director (security services)) and does not have any family relationship with any of our Directors, Executive Officers or Substantial Shareholders.

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## AEDGE ESOS

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### AEDGE ESOS

On 24 March 2020, our Shareholders approved a share option scheme known as the Aedge ESOS, the rules of which are set out in Appendix F of this Offer Document. The Aedge ESOS complies with the relevant rules as set out in Chapter 8 of the Catalist Rules. The Aedge ESOS will provide eligible participants with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The Aedge ESOS, which forms an integral and important component of a compensation plan, is designed to primarily reward and retain executive directors, non-executive directors and employees whose services are vital to our well-being and success. As at the Latest Practicable Date, no Options have been granted under the Aedge ESOS.

### Objectives of the Aedge ESOS

The objectives of the Aedge ESOS are as follows:

- (a) to motivate participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group;
- (b) to retain key employees and directors whose contributions are essential to the long-term growth and profitability of our Group;
- (c) to instil loyalty to, and a stronger identification by participants with the long-term prosperity of, our Group;
- (d) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders; and
- (e) to align the interests of participants with the interests of our Shareholders.

### Summary of the Aedge ESOS

A summary of the rules of the Aedge ESOS is set out as follows:

#### 1. Participants

Under the rules of the Aedge ESOS, executive directors and employees of our Group and our associated companies (“**Group Employees**”) who have attained the age of 21 years and have been in our Group’s employment for at least 12 months (or such shorter period as our Remuneration Committee may determine) and non-executive directors (including our Independent Directors) of our Group, are eligible to participate in the Aedge ESOS. For this purpose, a company is our “associated company” if we and/or our subsidiaries hold at least 20.0% but not more than 50.0% of the issued shares in that company and provided our Company has control (as defined in the Catalist Rules) over the associated company.

Controlling Shareholders of our Company or Associates of such Controlling Shareholders are eligible to participate in the Aedge ESOS if their participation and grants of Options are approved by independent Shareholders in separate resolutions for each such person and for each such grant of Options.

#### 2. Scheme administration

The Aedge ESOS shall be administered by our Remuneration Committee with powers to determine, *inter alia*, the following:

- (a) persons to be granted Options;
- (b) number of Options to be granted; and
- (c) recommendations for modifications to the Aedge ESOS.

Our Remuneration Committee may consist of Directors (including Directors or persons who may be participants of the Aedge ESOS). A member of our Remuneration Committee who is also a participant of the Aedge ESOS must not be involved in its deliberation in respect of Options granted or to be granted to him.

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## AEDGE ESOS

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### 3. Size of the Aedge ESOS

The aggregate number of Shares over which our Remuneration Committee may grant Options on any date, when added to the number of Shares issued and issuable or transferred and to be transferred in respect of all Options granted under the Aedge ESOS and the number of Shares issued and issuable or transferred and to be transferred in respect of all Options or Awards granted under any other share option schemes or share schemes of our Company, shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day immediately preceding the date on which an offer to grant an Option is made.

Our Company believes that this 15.0% limit gives our Company sufficient flexibility to decide the number of Option Shares to offer to our existing and new employees. The number of eligible participants is expected to grow over the years. Our Company, in line with its goals of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of our talent pool which may involve employing new employees. The employee base, and thus the number of eligible participants, will increase as a result. If the number of Options available under the Aedge ESOS is limited, our Company may only be able to grant a small number of Options to each eligible participant which may not be a sufficiently attractive incentive.

Our Company is of the opinion that it should have a sufficient number of Options to offer to new employees as well as to existing ones. The number of Options offered must also be significant enough to serve as a meaningful reward for contributions to our Group. However, it does not necessarily mean that our Remuneration Committee will definitely issue Option Shares up to the prescribed limit. Our Remuneration Committee shall exercise its discretion in deciding the number of Option Shares to be granted to each employee, which will depend on the performance and value of the employee to our Group.

### 4. Maximum entitlements

The aggregate number of Shares comprised in any Options to be offered to a grantee shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account criteria such as rank, past performance, years of service and potential development of that grantee.

### 5. Options, exercise period and exercise price

The Options that are granted under the Aedge ESOS may have exercise prices that are, at our Remuneration Committee's discretion, set at a price equal to the average of the last dealt prices for a Share on the Catalist for the five (5) consecutive market days immediately preceding the date on which an offer to grant an Option is made ("**Market Price**") or at a discount to the Market Price (subject to a maximum discount of 20.0%). Options which are fixed at the Market Price ("**Market Price Option**") may be exercised after the first anniversary of the date on which an offer to grant that Option is made while Options exercisable at a discount to the Market Price ("**Discounted Price Option**") may be exercised after the second anniversary from the date on which an offer to grant that Option is made.

Options granted under the Aedge ESOS to any Group Employee (other than non-executive directors and/or employees of associated companies) will have a life span of up to ten (10) years from the date on which they were granted, and all Options granted to non-executive directors and/or employees of associated companies shall have a life span of five (5) years from the date on which they were granted.

### 6. Grant of Options

Under the rules of the Aedge ESOS, there are no fixed periods for the grant of Options. As such, offers of the grant of Options may be made at any time from time to time at the discretion of our Remuneration Committee. However, no Option shall be granted during the period of 30 days immediately preceding the date of announcement of our Company's interim or final results (as the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made on or after the third market day from the date on which the aforesaid announcement is made.

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## AEDGE ESOS

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### 7. Termination of Options

Special provisions in the rules of the Aedge ESOS deal with the lapse or earlier exercise of Options in circumstances which include the termination of the participant's employment in our Group, the bankruptcy of the participant, the death of the participant, a take-over of our Company, and the winding-up of our Company.

### 8. Acceptance of Options

The grant of Options shall be accepted within 30 days from the date of the offer. Offers of Options made to grantees, if not accepted before the closing date, will lapse. Upon acceptance of the offer, the grantee must pay our Company a consideration of S\$1.00 or such amount as the Remuneration Committee may decide.

### 9. Rights of Shares arising

Subject to the prevailing legislation, our Company will deliver Shares to participants upon exercise of their Options by way of either (i) an issue of new Shares; or (ii) a transfer of Shares then held by our Company in treasury.

In determining whether to issue new Shares to participants upon exercise of their Options, our Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to our Company of issuing new Shares or delivering existing Shares.

The financial effects of the above methods are discussed below.

Shares arising from the exercise of Options are subject to the provisions of the Constitution of our Company. Shares allotted and issued, and existing Shares procured by our Company for transfer, upon the exercise of an Option shall rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or distributions, the Record Date for which is prior to the relevant exercise date of the Option. "Record Date" means the date as at the close of business on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions (as the case may be).

### 10. Duration of the Aedge ESOS

The Aedge ESOS shall continue in operation for a maximum duration of ten (10) years commencing from the date on which the Aedge ESOS was adopted and may be continued for any further period thereafter with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

### 11. Abstention from voting

Shareholders who are eligible to participate in the Aedge ESOS are to abstain from voting on any Shareholders' resolution relating to the Aedge ESOS and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, all Shareholders who are eligible to participate in the Aedge ESOS shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Aedge ESOS; (b) the maximum discount which may be given in respect of any Option; and (c) participation by and grant of Options to Controlling Shareholders and their Associates.

### 12. Reporting requirements

Under the Catalist Rules, an immediate announcement must be made on the date of grant of an Option and the announcement must provide details of the grant, including the following:

- (a) date of grant;
- (b) exercise price of the Options granted;

## AEDGE ESOS

- (c) number of Options granted;
- (d) market price of the Shares on the date of grant;
- (e) number of Options granted to each Director and Controlling Shareholder (and each of their Associates), if any; and
- (f) the validity period of the Options.

The following disclosures (as applicable) will be made by our Company in our annual report for so long as the Aedge ESOS continues in operation:

- (a) the names of the members of the committee administering the Aedge ESOS;
- (b) the information required in the table below for the following participants of the Aedge ESOS:
  - (i) Directors of our Company;
  - (ii) Controlling Shareholders and their Associates; and
  - (iii) Participants (other than those in paragraphs (b)(i) and (ii) above) who have received 5.0% or more of the total number of Options available under the Aedge ESOS:

Name of participant	Options granted under the Aedge ESOS during the financial year under review (including terms)	Aggregate Options granted since commencement of the Aedge ESOS to end of financial year under review	Aggregate Options exercised since commencement of the Aedge ESOS to end of financial year under review	Aggregate Options outstanding as at end of financial year under review

- (c) the number and proportion of Options granted at a discount during the financial year under review in respect of every 10.0% discount range, up to the maximum quantum of discount granted; and
- (d) such other information as may be required by the Catalist Rules or the Companies Act, provided that if any of the above requirements are not applicable, an appropriate negative statement should be included herein.

### Adjustments under the Aedge ESOS

The following describes the adjustment events under the Aedge ESOS.

If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, sub-division, consolidation or distribution, or otherwise howsoever) should take place, then:

- (a) the exercise price in respect of the Shares comprised in the Option to the extent unexercised; and/or
- (b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or

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## AEDGE ESOS

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- (c) the maximum entitlement in any one FY; and/or
- (d) the class and/or number of Shares in respect of which additional Options may be granted to participants,

may, at the option of our Remuneration Committee, be adjusted in such manner as our Remuneration Committee may determine to be appropriate, including retrospective adjustments, where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Company's auditors (acting only as experts and not as arbitrators), that, in their opinion, such adjustment is fair and reasonable.

Notwithstanding the above, any adjustment must be made in a such a way that a participant will not receive a benefit that a Shareholder does not receive; and (b) our Remuneration Committee after considering all relevant circumstances considers it equitable to do so.

The issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Catalist Rules, undertaken by the Company on the SGX-ST during the period when a share repurchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment.

### **Grant of Options with a discounted exercise price**

The ability to offer Options to participants of the Aedge ESOS with exercise prices set at a discount to the prevailing market prices of the Shares will operate as a means to recognise the performance of participants, as well as to motivate them to continue to excel, while encouraging them to focus more on improving the profitability and returns of our Group above a certain level, which will benefit all Shareholders when these factors are eventually reflected through share price appreciation. The Aedge ESOS will also serve to recruit new group employees whose contributions are important to the long-term growth and profitability of our Group. Discounted Price Options would be perceived in a more positive light by the participants, inspiring them to work hard and produce results in order to be offered Options at a discount as only employees who have made outstanding contributions to the success and development of our Group would be granted such Options.

At present, our Company foresees that Options may be granted with a discount principally in the following circumstances:

- (a) Firstly, where it is considered more effective to reward and retain talented employees by way of a Discounted Price Option rather than a Market Price Option. This is to reward the outstanding performers who have contributed significantly to our Group's performance and the Discounted Price Option serves as an additional incentive to such group employees. Options granted by our Company on the basis of market price may not be attractive and realistic in the event of an overly buoyant market and inflated share prices. Hence, during such period, the ability to offer such Discounted Price Options would allow our Company to grant Options on a more realistic and economically feasible basis. Furthermore, Options granted at a discount will give an opportunity to employees to realise some tangible benefits even if external events cause the price of our Shares to remain largely static.
- (b) Secondly, where it is more meaningful and attractive to acknowledge a participant's achievements through a Discounted Price Option rather than paying him a cash bonus. For example, Options granted at a discount may be used to compensate employees and to motivate them during economic downturns when wages (including cash bonuses and annual wage supplements) are frozen or cut, or they could be used to supplement cash rewards in lieu of larger cash bonuses or annual wage supplements. Accordingly, it is possible that merit-based cash bonuses or rewards may be combined with grants of Market Price Options or Discounted Price Options, as part of

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## AEDGE ESOS

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eligible employees' compensation packages. The Aedge ESOS will provide employees with an incentive to focus more on improving the profitability of our Group, thereby enhancing shareholder value when these are eventually reflected through the price appreciation of the Shares after the vesting period.

- (c) Thirdly, where due to speculative forces and having regard to the historical performance of the Share price, the market price of the Shares at the time of the grant of the options may not be reflective of financial performance indicators such as return on equity and/or earnings growth.

Our Remuneration Committee will have the absolute discretion to grant Options where the exercise price is discounted, to determine the level of discount (subject to a maximum discount of 20.0% of the Market Price) and the grantees to whom, and the Options to which, such discount in the exercise price will apply provided that our Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Aedge ESOS at a discount not exceeding the maximum discount as aforesaid.

In deciding whether to give a discount and the quantum of such discount (subject to the aforesaid limit), our Remuneration Committee will have regard to the financial and other performance of our Company and our Group, the years of service and individual performance of the grantee, the contribution of the grantee to the success and development of our Group and the prevailing market conditions. Our Company may also grant Options without any discount to the market price. Additionally, our Company may, if it deems fit, impose conditions on the exercise of the Options (whether such Options are granted at the market price or at a discount to the market price), such as restricting the number of Shares for which the Option may be exercised during the initial years following its vesting.

### **Rationale for participation of executive directors and employees of our associated companies and non-executive directors (including our Independent Directors) of our Group in the Aedge ESOS**

The extension of the Aedge ESOS to executive directors and employees of our associated companies and non-executive directors (including our Independent Directors) of our Group allows our Group to have a fair and equitable system to reward directors and employees who have made and who continue to make significant contributions to the long-term growth of our Group.

We believe that the Aedge ESOS will also enable us to attract, retain and provide incentives to its participants to achieve higher standards of performance as well as encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services as well as motivating participants generally to contribute towards the long-term growth of our Group.

Although the non-executive directors are not involved in the day-to-day running of our Group's business, they nonetheless play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. The participation by the non-executive directors in the Aedge ESOS will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment.

In order to minimise any potential conflict of interests and not to compromise the independence of the non-executive directors, our Company intends to grant only a nominal number of Options under the Aedge ESOS to such non-executive directors.

### **Rationale for participation of Controlling Shareholders and their Associates in the Aedge ESOS**

Our Company acknowledges that the services and contributions of employees who are Controlling Shareholders and their Associates are important to the development and success of our Group. The extension of the Aedge ESOS to confirmed full-time employees who are Controlling Shareholders and their Associates allows our Group to have a fair and equitable system to reward employees who have actively contributed to the progress and success of our Group. The participation of Controlling Shareholders and their Associates in the Aedge ESOS will serve both as a reward to them for their dedicated services to our Group and a motivation for them to take a long-term view of our Group.

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## AEDGE ESOS

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Although participants who are Controlling Shareholders and their Associates may already have shareholding interests in our Company, the extension of the Aedge ESOS to include them ensures that they are equally entitled as the other employees of our Group who are not Controlling Shareholders or their associates, to take part and benefit from this system of remuneration. We are of the view that a person who would otherwise be eligible should not be excluded from participating in the Aedge ESOS solely by reason that he/she is a Controlling Shareholder or an Associate of a Controlling Shareholder.

The specific approval of our independent Shareholders is required for the participation of such persons as well as the actual number of and terms of such Options. A separate resolution must be passed for each of such participant. In seeking such approval from our independent Shareholders, clear justification as to the participation of our Controlling Shareholders and/or their Associates, the number of and terms (including the exercise price) of the Options to be granted to the Controlling Shareholder and/or their Associates shall be provided. Accordingly, we are of the view that there are sufficient safeguards against any abuse of the Aedge ESOS resulting from the participation of employees who are Controlling Shareholders and/or their Associates.

### Financial effects of the Aedge ESOS

The Aedge ESOS will increase our issued share capital to the extent of the new Shares that will be issued and allotted pursuant to the exercise of Options. Under the Singapore Financial Reporting Standard (International) 2 on Share-based Payment (“**SFRS(I) 2**”), the fair value of employee services received in exchange for the grant of the Options would be recognised as an employee expense. For equity-settled share-based payment transactions, the total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of each Option granted at the grant date and the number of Options vested by the vesting date, with a corresponding increase in equity.

Before the end of the vesting period, at each balance sheet date, the entity revises its estimates of the number of Options that are expected to vest by the vesting date and recognises the impact of this revision in the income statement with a corresponding adjustment to equity. After the vesting date, no adjustment to the income statement would be made. The proceeds net of any directly attributable transaction costs are credited to the share capital when the Options are exercised.

During the vesting period, the EPS of the Group would be reduced by both the expenses recognised and the potential new ordinary Shares to be issued under the Aedge ESOS. When the Options are exercised, the NTA of the Group will be increased by the amount of cash received for exercise of the Options. On a per Share basis, the effect is accretive if the exercise price is above the NTA per Share but dilutive otherwise.

There will be no cash outlay expended by us at the time of grant of such Options as compared to the payment of cash bonuses. However, as Shareholders may be aware, any Options granted to subscribe for new Shares (whether the exercise price is set at the market price of the Shares at the date of grant or otherwise) have a fair value at the time of grant. The fair value of an Option is an estimate of the amount that a willing buyer would pay a willing seller for the Option on the grant date. Options are granted to participants at a nominal consideration of S\$1.00. Insofar as such Options are granted at a consideration that is less than their fair value at the time of grant, there will be a cost to our Company in that we will receive from the participant upon the grant of the Option a consideration that is less than the fair value of the Option.

The following sets out the financial effects of the Aedge ESOS.

(a) Share capital

The Aedge ESOS will result in an increase in our Company’s issued share capital when new Shares are issued to participants. The number of new Shares issued will depend on, *inter alia*, the size of the Options granted under the Aedge ESOS. Whether and when the Options granted under the Aedge ESOS will be exercised will depend on the exercise price of the Options, when the Options will vest as well as the prevailing trading price of the Shares. In any case, the Aedge ESOS provides that the number of Shares to be issued or transferred under the Aedge ESOS,

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## AEDGE ESOS

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when aggregated with the aggregate number of Shares over which Options or Awards are granted under any other share option schemes or share schemes of our Company, will be subject to the maximum limit of 15.0% of our Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time. If instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the Aedge ESOS will have no impact on our Company's issued share capital.

(b) NTA

As described in paragraph (c) below on EPS, the grant of Options will be recognised as an expense, the amount of which will be computed in accordance with SFRS(I) 2. When new Shares are issued pursuant to the exercise of Options, there would be no effect on the NTA due to the offsetting effect of expenses recognised and the increase in share capital. However, if instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the NTA would be impacted by the cost of the Shares purchased.

(c) EPS

The Aedge ESOS is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with SFRS(I) 2. It should again be noted that the delivery of Shares to participants of the Aedge PSP will generally be contingent upon the participants meeting the prescribed performance targets and conditions.

(d) Dilutive impact

The issuance of new Shares under the Aedge ESOS will have a dilutive impact on our EPS of the Group. We have made an application to the SGX-ST for permission to deal in and for quotation of the Option Shares which may be issued upon the exercise of the Options to be granted under the Aedge ESOS. The approval of the SGX-ST is not to be taken as an indication of the merits of our Company, our subsidiaries, our Shares, the Placement Shares, the Option Shares or the Award Shares.

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## AEDGE PSP

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### AEDGE PSP

On 24 March 2020, our Shareholders approved a share scheme known as the Aedge PSP, the rules of which are set out in Appendix G of this Offer Document. The Aedge PSP complies with the relevant rules as set out in Chapter 8 of the Catalist Rules.

### Objectives of the Aedge PSP

The objectives of the Aedge PSP are as follows:

- (a) foster an ownership culture within our Group which aligns the interests of Group executives and Non-executive Directors with the interests of Shareholders;
- (b) motivate participants to achieve key financial and operational goals of our Company and/or their respective business units; and
- (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with our Company's ambition to become a world class company.

### Operation of the Aedge PSP

Awards granted under the Aedge PSP will be principally performance-based, incorporating an element of stretched targets for senior executives and significantly stretched targets for key senior management and non-executive directors aimed at delivering long-term Shareholder value.

The Aedge PSP uses methods fairly common among major local and multinational companies to incentivise and motivate senior executives and key senior management to achieve predetermined targets which create and enhance economic value for Shareholders. Our Company believes that the Aedge PSP will be an effective tool in motivating senior executives, key senior management and non-executive directors to work towards stretched goals.

The Aedge PSP contemplates the award of fully paid Shares, when and after predetermined performance or service conditions are accomplished.

A participant's Award under the Aedge PSP will be determined at the sole discretion of our Remuneration Committee. In considering an Award to be granted to a participant who is an employee, our Remuneration Committee may take into account, *inter alia*, the participant's capability, creativity, entrepreneurship, innovativeness, scope of responsibility and skills set. In considering an Award to be granted to a participant who is a non-executive director, our Remuneration Committee may take into account, *inter alia*, the services and contributions made to the growth of our Group, attendance and participation in meetings and the years of service.

Awards granted under the Aedge PSP are principally performance-based with performance targets to be set over a performance period and may vary from one performance period to another performance period and from one grant to another grant. Performance targets set by our Remuneration Committee are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. Such performance targets and performance periods will be set according to the specific roles of each participant, and may differ from participant to participant. The performance targets are stretched targets aimed at sustaining long-term growth. These targets will be tied in with our Company's corporate key performance indicators.

Examples of non-market performance targets which may be included as a performance target for a grant of an Award include, *inter alia*, profitability and safety record of a particular project of our Group.

Under the Aedge PSP, participants are encouraged to continue serving our Group beyond the achievement date of the pre-determined performance targets. Our Remuneration Committee has the discretion to impose a further vesting period after the performance period to encourage the participant to continue serving our Group for a further period of time.

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## AEDGE PSP

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### Maximum Limits on Shares

In order to reduce the dilutive impact of the Aedge PSP, the maximum number of Shares issuable or to be transferred by our Company under the Aedge PSP, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of our Company, will be 15.0% of our Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

### Summary of the Aedge PSP

A summary of the rules of the Aedge PSP is set out as follows:

1. Eligibility

Executive directors and employees of our Group and our associated companies who have attained the age of twenty-one (21) years and hold such rank as may be designated by our Remuneration Committee from time to time and who have been in full-time employment of our Group for at least 12 months (or in the case of executive directors, such shorter period as our Remuneration Committee may determine), and non-executive directors (including our Independent Directors) of our Group, shall be eligible to participate in the Aedge PSP. For this purpose, a company is our "associated company" if we and/or our subsidiaries hold at least 20.0% but not more than 50.0% of the issued shares in that company and provided our Company has control (as defined in the Catalist Rules) over the associated company.

Controlling Shareholders of our Company or Associates of such Controlling Shareholders are eligible to participate in the Aedge PSP if their participation and Awards are approved by independent Shareholders in separate resolutions for each such person and for each such Award.

2. Awards

Awards represent the right of a participant to receive fully paid Shares free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

Shares which are allotted and issued or transferred to a participant pursuant to the release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during a specified period (as prescribed by our Remuneration Committee in the award letter), except to the extent approved by our Remuneration Committee.

3. Participants

The selection of a participant and the number of Shares which are the subject of each Award to be granted to a participant in accordance with the Aedge PSP shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account criteria such as his rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, his contribution to the success and development of our Group and, if applicable, the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period.

4. Details of Awards

Our Remuneration Committee shall decide, in relation to each Award to be granted to a participant:

- (a) the date on which the Award is to be granted;
- (b) the number of Shares which are the subject of the Award;
- (c) the performance target(s) and the performance period during which such performance target(s) are to be satisfied, if any;
- (d) the extent to which Shares, which are the subject of that Award, shall be released on each prescribed performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period; and

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## AEDGE PSP

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- (e) any other condition which our Remuneration Committee may determine in relation to that Award. Our Remuneration Committee may consist of Directors (including Directors or persons who may be participants of the Aedge PSP).

A member of our Remuneration Committee who is also a participant of the Aedge PSP must not be involved in its deliberation in respect of Awards granted or to be granted to him.

### 5. Timing

While our Remuneration Committee has the discretion to grant Awards at any time in the year, it is currently anticipated that Awards would in general be made once a year. An award letter confirming the Award and specifying, *inter alia*, the number of Shares which are the subject of the Award, the prescribed performance target(s), the performance period during which the prescribed performance target(s) are to be attained or fulfilled and the schedule setting out the extent to which Shares will be released on satisfaction of the prescribed performance target(s), will be sent to each participant as soon as reasonably practicable after the making of an Award.

### 6. Events Prior to Vesting

Special provisions for the vesting and lapsing of Awards apply in certain circumstances, including the following:

- (a) the misconduct on the part of a participant as determined by our Remuneration Committee in its discretion;
- (b) the participant ceasing to be in the employment of our Group for any reason whatsoever (other than as specified in paragraph (e) below);
- (c) an order being made or a resolution passed for the winding-up of our Company on the basis, or by reason, of its insolvency;
- (d) the bankruptcy of a participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award;
- (e) the participant ceases to be in the employment of our Group by reason of:
  - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of our Remuneration Committee);
  - (ii) redundancy;
  - (iii) retirement at or after the legal retirement age;
  - (iv) retirement before the legal retirement age with the consent of our Remuneration Committee;
  - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within our Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within our Group, as the case may be;
  - (vi) any other event approved by our Remuneration Committee; or
  - (vii) a take-over, reconstruction or amalgamation of our Company or an order being made or a resolution passed for the winding-up of our Company (other than as provided in paragraph (c) above or for amalgamation or reconstruction).

Upon the occurrence of any of the events specified in paragraphs (a), (b) and (c), an Award then held by a participant shall, subject as provided in the rules of the Aedge PSP and to the extent not yet released, immediately lapse without any claim whatsoever against our Company.

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## AEDGE PSP

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Upon the occurrence of any of the events specified in paragraphs (d), (e)(i), (e)(ii), (e)(iii), (e)(iv), (e)(v) and (e)(vi) above, our Remuneration Committee may, in its absolute discretion, preserve all or any part of any Award and decide either to vest some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of the relevant performance period.

In exercising its discretion, our Remuneration Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that participant and, in the case of performance-related Awards, the extent to which the applicable performance conditions and targets have been satisfied.

Upon the occurrence of the events specified in paragraph (e)(vii) above, our Remuneration Committee will consider, at its discretion, whether or not to release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that participant.

If our Remuneration Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, our Remuneration Committee will have regard to the proportion of the performance period which has elapsed and the extent to which the applicable performance conditions and targets have been satisfied.

### 7. Size and Duration of the Aedge PSP

The total number of Shares which may be issued or transferred pursuant to Awards granted under the Aedge PSP, when aggregated with the aggregate number of Shares over which options are granted under any other share option schemes of our Company, shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

The Aedge PSP shall continue in force at the discretion of our Remuneration Committee, subject to a maximum period of ten (10) years commencing on the date on which the Aedge PSP was adopted by our Company in general meeting, provided always that the Aedge PSP may continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the Aedge PSP, any Awards made to participants prior to such expiry or termination will continue to remain valid.

### 8. Operation of the Aedge PSP

Subject to the prevailing legislation, our Company will deliver Shares to participants upon vesting of their Awards by way of either (i) an issue of new Shares; or (ii) a transfer of Shares then held by our Company in treasury. In determining whether to issue new Shares to participants upon vesting of their Awards, our Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to our Company of issuing new Shares or delivering existing Shares. The financial effects of the above methods are discussed below.

New Shares allotted and issued and existing Shares procured by our Company for transfer on the release of an Award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant date of issue or, as the case may be, delivery, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

Our Remuneration Committee shall have the discretion to determine whether the performance condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, our Remuneration Committee shall have the right to make computational adjustments to the audited results of our Company or our Group, to take into account such factors as our Remuneration Committee may determine to be relevant, such as changes in accounting

## AEDGE PSP

methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if our Remuneration Committee decides that a changed performance target would be a fairer measure of performance.

### 9. Abstention from voting

Shareholders who are eligible to participate in the Aedge PSP are to abstain from voting on any Shareholders' resolution relating to the Aedge PSP and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, all Shareholders who are eligible to participate in the Aedge PSP shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Aedge PSP; and (b) participation by and grant of Awards to Controlling Shareholders and their Associates.

### 10. Reporting Requirements

Under the Catalist Rules, an immediate announcement must be made on the date an Award is granted and must provide details of the grant, including the following:

- (a) date of grant;
- (b) market price of the Shares on the date of grant of the Award;
- (c) number of Shares granted under the Award;
- (d) number of Shares granted to each Director and Controlling Shareholder (and each of their Associates) under the Award, if any; and
- (e) the vesting period in relation to the Award.

The following disclosures (as applicable) will be made by our Company in our annual report for so long as the Aedge PSP continues in operation:

- (a) the names of the members of the committee administering the Aedge PSP;
- (b) the information required in the table below for the following participants of the Aedge PSP:
  - (i) Directors of our Company;
  - (ii) Controlling Shareholders and their Associates; and
  - (iii) Participants (other than those in paragraphs (b)(i) and (ii) above) who have received 5.0% or more of the total number of Shares available under the Aedge PSP:

Name of participant	Aggregate number of Shares comprised in Awards under the Aedge PSP during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards vested to such participant since commencement of Aedge PSP to the end of the financial year under review	Aggregate number of Shares comprised in Awards issued since commencement of the Aedge PSP to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have not been released as at the end of the financial year under review

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## AEDGE PSP

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- (c) such other information as may be required by the Catalist Rules or the Companies Act, provided that if any of the above requirements are not applicable, an appropriate negative statement should be included herein.

### **Adjustments and Alterations under the Aedge PSP**

The following describes the adjustment events under, and provisions relating to alterations of, the Aedge PSP.

#### 1. Adjustment events

If a variation in the issued ordinary share capital of our Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, sub-division, consolidation or distribution, or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet vested; and/or
- (b) the class and/or number of Shares over which future Awards may be granted under the Aedge PSP,

shall be adjusted in such manner as our Remuneration Committee may determine to be appropriate, provided that any adjustment must be made in such a way that a participant will not receive a benefit that a Shareholder does not receive..

The issue of securities as consideration for an acquisition or a private placement of securities or the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force shall not normally be regarded as a circumstance requiring adjustment, unless our Remuneration Committee considers an adjustment to be appropriate.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by our Company's auditors (acting only as experts and not as arbitrators) to be, in their opinion, fair and reasonable.

#### 2. Modifications or alterations to the Aedge PSP

The Aedge PSP may be modified and/or altered from time to time by a resolution of our Remuneration Committee subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the written consent of such number of participants under the Aedge PSP who, if their Awards were released to them, would thereby become entitled to not less than three-quarters in number of all the Shares which would be issued or transferred in full of all outstanding Awards under the Aedge PSP.

No alteration shall be made to particular rules of the Aedge PSP to the advantage of the holders of the Awards except with the prior approval of Shareholders in general meeting.

### **Rationale for participation of executive directors and employees of our associated companies and non-executive directors (including our Independent Directors) of our Group in the Aedge PSP**

The extension of the Aedge PSP to executive directors and employees of our associated companies and non-executive directors (including our Independent Directors) of our Group allows our Group to have a fair and equitable system to reward directors and employees who have made and who continue to make significant contributions to the long-term growth of our Group.

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## AEDGE PSP

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We believe that the Aedge PSP will also enable us to attract, retain and provide incentives to its participants to achieve higher standards of performance as well as encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services as well as motivating participants generally to contribute towards the long-term growth of our Group.

Although the non-executive directors are not involved in the day-to-day running of our Group's business, they, nonetheless, play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. The participation by the non-executive directors in the Aedge PSP will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment.

In order to minimise any potential conflict of interests and not to compromise the independence of the non-executive directors, our Company intends to grant only a nominal number of Awards under the Aedge PSP to such non-executive directors.

### **Rationale for participation of Controlling Shareholders and their Associates in the Aedge PSP**

Our Company acknowledges that the services and contributions of employees who are Controlling Shareholders or Associates of our Controlling Shareholders are important to the development and success of our Group. The extension of the Aedge PSP to confirmed full-time employees who are Controlling Shareholders or their Associates allows our Group to have a fair and equitable system to reward employees who have actively contributed to the progress and success of our Group. The participation of the Controlling Shareholders and their Associates in the Aedge PSP will serve both as a reward to them for their dedicated services to our Group and a motivation for them to take a long-term view of our Group.

Although participants who are Controlling Shareholders or their Associates may already have shareholding interests in our Company, the extension of the Aedge PSP to include them ensures that they are equally entitled, as the other employees of our Group, who are not Controlling Shareholders or their Associates, to take part and benefit from this system of remuneration. We are of the view that a person who would otherwise be eligible should not be excluded from participating in the Aedge PSP solely by reason that he/she is a Controlling Shareholder or an Associate of our Controlling Shareholders.

The specific approval of our independent Shareholders is required for the participation of such persons as well as the actual number of and terms of such Awards. A separate resolution must be passed for each of such participant. In seeking such approval from our independent Shareholders, clear justification as to the participation of our Controlling Shareholders and their Associates, the number of and terms of the Awards to be granted to the Controlling Shareholders and their Associates shall be provided. Accordingly, we are of the view that there are sufficient safeguards against any abuse of the Aedge PSP resulting from the participation of employees who are our Controlling Shareholders or their Associates.

### **Financial effects of the Aedge PSP**

The Aedge PSP is considered a share-based payment that falls under SFRS(I) 2 where participants will receive Shares and the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the income statement over the period between the grant date and the vesting date of an Award. The fair value per share of the Awards granted will be determined using an option pricing model. The significant inputs into the option pricing model will include, *inter alia*, the share price as at the date of grant of the Award, the risk free interest rate, the vesting period, volatility of the share and dividend yield. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the grant date and the number of Shares vested at the vesting date, with a corresponding credit to the reserve account. Before the end of the vesting period, at each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the income statement is made.

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## AEDGE PSP

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The amount charged to the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the grant date, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met. However, if the performance target is not a market condition, the fair value per share of the Awards granted at the grant date is used to compute the amount to be charged to the income statement at each accounting date, based on an assessment by our Chief Financial Officer at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no cumulative charge to the income statement if the Awards do not ultimately vest.

The following sets out the financial effects of the Aedge PSP.

(a) Share capital

The Aedge PSP will result in an increase in our Company's issued share capital when new Shares are issued to participants. The number of new Shares issued will depend on, *inter alia*, the size of the Awards granted under the Aedge PSP. In any case, the Aedge PSP provides that the number of Shares to be issued or transferred under the Aedge PSP, when aggregated with the aggregate number of Shares over which options are granted under any other share option schemes of our Company, will be subject to the maximum limit of 15.0% of our Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time. If instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the Aedge PSP will have no impact on our Company's issued share capital.

(b) NTA

As described in paragraph (c) below on EPS, the Aedge PSP is likely to result in a charge to our Company's income statement over the period from the grant date to the vesting date of the Awards. The amount of the charge will be computed in accordance with SFRS(I) 2. When new Shares are issued under the Aedge PSP, there would be no effect on the NTA due to the offsetting effect of expenses recognised and the increase in share capital. However, if instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the NTA would be impacted by the cost of the Shares purchased. It should be noted that the delivery of Shares to participants under the Aedge PSP will generally be contingent upon the eligible participants meeting prescribed performance targets and conditions.

(c) EPS

The Aedge PSP is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with SFRS(I) 2. It should again be noted that the delivery of Shares to participants of the Aedge PSP will generally be contingent upon the participants meeting the prescribed performance targets and conditions.

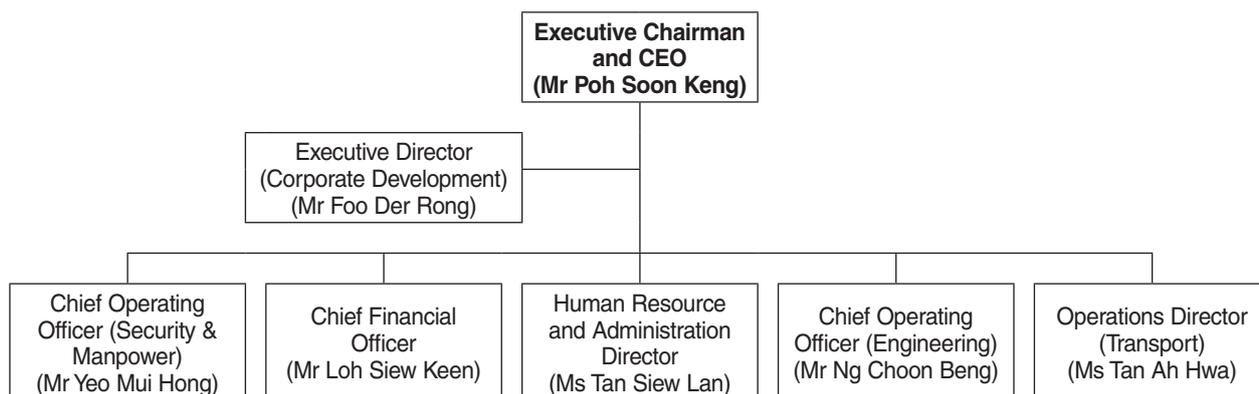
(d) Dilutive impact

The issuance of new Shares under the Aedge PSP will have a dilutive impact on our consolidated EPS.

We have made an application to the SGX-ST for permission to deal in and for quotation of the Award Shares which may be issued upon the release of the Award Shares to be granted under the Aedge PSP. The approval of the SGX-ST is not to be taken as an indication of the merits of our Company, our subsidiaries, our Shares, the Placement Shares, the Option Shares or the Award Shares.

## CORPORATE GOVERNANCE

### MANAGEMENT REPORTING STRUCTURE



### REMUNERATION OF DIRECTORS, EXECUTIVE OFFICERS AND RELATED EMPLOYEES

#### Directors and Executive Officers

The remuneration paid to our Directors and Executive Officers (including benefits-in-kind and bonuses) for services rendered to us in all capacities and in remuneration bands<sup>(1)</sup> for FY2019 and FY2020, being the two (2) most recent completed financial years, and as estimated for FY2021 (excluding any bonus or profit-sharing plan or any other profit-linked agreements), are as follows:

Directors	FY2019	FY2020	FY2021 (estimated)
Mr Poh Soon Keng	Band A	Band A	Band A
Mr Foo Der Rong	Band A	Band A	Band A
Mr Hoon Tai Meng <sup>(2)</sup>	–	–	Band A
Mr Goh Joon Lian <sup>(2)</sup>	–	–	Band A
Mr Teo Joo Huak <sup>(2)</sup>	–	–	Band A
<b>Executive Officers</b>			
Mr Yeo Mui Hong <sup>(3)</sup>	–	–	Band A
Mr Ng Choon Beng	Band A	Band A	Band A
Mr Loh Siew Keen	Band A	Band A	Band A
Ms Tan Siew Lan	Band A	Band A	Band A
Ms Tan Ah Hwa	Band A	Band A	Band A

#### Notes:

- (1) “Band A” refers to remuneration of up to S\$250,000 per annum.
- (2) Appointed in March 2020.
- (3) Appointed in September 2020.

#### Related Employees

As at the Latest Practicable Date, other than our Directors, Executive Officers and Substantial Shareholders whose relationships with one another are disclosed in the sections entitled “Shareholders” and “Directors, Executive Officers and Employees” of this Offer Document, the following employees are related to our Directors or Substantial Shareholders:

Name	Designation	Relationship with our Directors or Substantial Shareholders
Ms Grace Lim Lay Hua	Customer relations executive	Niece of Mr Poh Soon Keng
Mr Lim Yew Boo	Trainer (Transport Division)	Nephew of Mr Poh Soon Keng
Mr Tan Kock Sing	Transport supervisor	Brother of Ms Tan Siew Lan and Ms Tan Ah Hwa

## CORPORATE GOVERNANCE

For FY2018, FY2019 and FY2020, the above-mentioned related employees received from our Group an aggregate remuneration (including benefits-in-kind) for services rendered in all capacities, of approximately S\$125,000, S\$114,000 and S\$112,000 respectively. None of the above-mentioned related employees individually received an annual remuneration exceeding S\$50,000 for FY2018, FY2019 and FY2020. The basis of determining their remuneration is the same as the basis of determining the remuneration of other unrelated employees.

The remuneration of employees who are related to our Directors or Substantial Shareholders will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibility. In line with the Code of Corporate Governance 2018, our Company shall disclose in our annual report details of the remuneration of any employee who is an immediate family member (as defined in the Catalist Rules) of our Directors, and whose remuneration exceeds S\$50,000 during the relevant financial year. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee. In addition, any employment of related employees and the proposed terms of their employment will also be subject to the review and approval of our Nominating Committee. In the event that a member of our Remuneration Committee or Nominating Committee is related to the employee under review, he will abstain from voting on any resolutions in respect of the remuneration or employment of such employee.

### Pension, retirement or similar benefits

As at the Latest Practicable Date, save as required for compliance with the applicable laws of Singapore, we have not set aside or accrued any amounts to provide for pension, retirement or similar benefits for our employees.

### EMPLOYEES

As at the Latest Practicable Date, we have 392 full-time employees.

The number of full-time employees of our Group who are all based in Singapore, as at the end of each of FY2018, FY2019, FY2020 and the Latest Practicable Date segmented by job functions is as follows:

Function	Number of Employees			As at the Latest Practicable Date
	As at 30 June 2018	As at 30 June 2019	As at 30 June 2020	
Management <sup>(1)</sup>	5	7	7	7
Finance	5	7	7	7
Corporate/Human Resource and Administration	6	9	8	8
<b>Engineering services</b>				
- Managers and supervisors	6	13	12	13
- Engineers and technicians	3	4	4	5
- Operations staff <sup>(2)</sup>	108	112	160	134
<b>Transport services</b>				
- Managers and supervisors	8	10	10	10
- Drivers and bus attendants	83	80	70	67
<b>Security and manpower services</b>				
- Managers and supervisors	8	11	7	9
- Security officers	100	98	86	94
- Technicians <sup>(3)</sup>	131	131	132	23
- Cleaning specialists	42	41	31	15
<b>Total</b>	<b>505</b>	<b>523</b>	<b>534</b>	<b>392</b>

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## CORPORATE GOVERNANCE

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### Notes:

- (1) Executive Directors and Executive Officers are classified under management.
- (2) Refers to skilled workers and semi-skilled workers involved in the provision of our Group's engineering services.
- (3) Includes employees that our Company places out in connection with our Group's manpower staffing services.

The total number of employees increased by approximately 3.6% or 18 employees from 505 as at the end of FY2018 to 523 as at the end of FY2019 as a result of general increase in corporate and managerial staff. The total number of employees increased marginally by approximately 2.1% or 11 employees from 523 as at the end of FY2019 to 534 as at the end of FY2020 mainly comprising of an increase in operations staff of engineering services, offset by decreases in operations staff of transport services, and security and manpower services. The total number of employees decreased by approximately 26.6% or 142 employees from 534 as at the end of FY2020 to 392 as at the Latest Practicable Date, mainly comprising of a decrease in the number of aviation technicians employed by our Group due to reduced demand of such workers from our customers as a result of the downturn in the aviation industry arising from COVID-19 travel restrictions.

Our Group employs a significant number of temporary workers, primarily as security officers to provide security guarding services to our customers. For FY2020, the average number of temporary workers employed by our Group per month was around 113.

None of our employees are unionised. There has not been any incidence of work stoppages or labour disputes that affected our operations.

### SERVICE AGREEMENTS

On 24 March 2020, our Company entered into separate service agreements (collectively, the "**Service Agreements**") and individually, the "**Service Agreement**") with each of (i) our Executive Chairman and CEO, Mr Poh Soon Keng; (ii) our Executive Director (Corporate Development), Mr Foo Der Rong; and (iii) our Chief Operating Officer (Engineering), Mr Ng Choon Beng (collectively, the "**Executives**" and individually, the "**Executive**").

Each Service Agreement is for an initial period of three (3) years ("**Initial Term**") commencing with effect from the date of the admission of our Company to Catalist. After the end of the Initial Term, unless either party notifies the other in writing at least six (6) months prior to the last business day of the Initial Term, the Service Agreement shall automatically be renewed for a further period of three (3) years on the same terms and conditions provided therein.

The Service Agreement may be terminated without cause at any time by either party giving to the other party six (6) months' notice in writing of such intended termination, or in lieu of the said six (6) months' notice, an amount equivalent to six (6) months' salary based on the Executive's last drawn monthly salary, provided that during the Initial Term, the Executive shall not be entitled to terminate the Service Agreement without prior consent of our Board.

The Service Agreement shall automatically terminate without any notice or payment in lieu of notice if the Executive:

- (a) becomes prohibited by law or any order from any regulatory body or governmental authority from being, or ceases to be, an employee or director of the Company for any reason whatsoever or the Company is required or requested by any authority (whether governmental or statutory) to terminate the services of the Executive;
- (b) is (subject to certification by a qualified medical practitioner) or at the reasonable opinion of the Board, may be suffering from a mental disorder;
- (c) becomes bankrupt or makes any arrangement or composition with his creditors generally;

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## CORPORATE GOVERNANCE

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- (d) is convicted of any criminal offence (save an offence under road traffic legislation for which he is not sentenced to any term of immediate or suspended imprisonment) and sentenced to any term of immediate or suspended imprisonment or has any judgement, including findings, in relation to fraud, misrepresentation or dishonesty, given against him, whether or not, in connection with or referable to the employment; or
- (e) is or may be suffering from a mental disorder.

Upon such termination, the Executive shall not be entitled to claim any compensation or damages for or in respect or by reason of such termination.

Our Company may terminate the Executive's appointment forthwith without any notice or payment in lieu of notice if the Executive, in the reasonable opinion of the Board, shall:

- (a) be guilty of any gross misconduct;
- (b) breach any of the material provisions of the Service Agreement;
- (c) commit any act of criminal breach of trust or dishonesty; or
- (d) become permanently incapacitated by accident or ill health from performing his duties.

Upon such termination, the Executive shall not be entitled to claim any compensation or damages for or in respect or by reason of such termination.

The Company, without prejudice to any remedy which it may have against the Executive for the breach or non-performance of any of the provisions of the Service Agreement, may by notice to the Executive forthwith terminate the Service Agreement if:

- (a) he commits any act that is reported in general or trade press or otherwise achieves general notoriety which involves conduct that is likely to be regarded as illegal, immoral or scandalous and which, in the reasonable opinion of the Board is likely to discredit the Executive to a degree which materially reduces the value of his services to the Company or may discredit the Company through association with the Executive; or
- (b) he is in the reasonable opinion of the Board incompetent in the performance of his duties.

The Service Agreements provide for, *inter alia*, the salary payable to the Executives, annual leave, medical benefits, grounds of termination and certain restrictive covenants (including non-compete obligations).

Pursuant to the terms of the respective Service Agreements, the monthly salary of the respective Executives will be as set out below. In addition, each of the Executives is also entitled to receive an annual incentive bonus of a sum calculated based on the Group's audited consolidated profit before taxation subject to the terms and conditions in the Service Agreements. The remuneration of the Executives is subject to review by our Board and our Remuneration Committee at the end of each financial year of our Company. The relevant Executive shall abstain from voting in respect of any resolution or decision to be made by our Board in relation to the terms and renewal of his Service Agreement.

Executive		Monthly Salary (S\$)
Mr Poh Soon Keng	For the first year of the Initial Term	15,000
	For the second year of the Initial Term	20,000
	From the end of second year of the Initial Term	25,000
Mr Foo Der Rong		12,000
Mr Ng Choon Beng		12,000

## CORPORATE GOVERNANCE

Under the Service Agreements, our Company will provide for the sole use of our Executive Chairman and CEO, Mr Poh Soon Keng and our Chief Operating Officer (Engineering), Mr Ng Choon Beng, one (1) motor car each. Such motor car shall be of such make and model to be approved by the Board and the Company shall also bear the premium for insurance and road tax thereof and shall reimburse the Executive for all its running expenses (including car parking expenses, toll charges, petrol, lubrication, maintenance and repairs).

In addition, under the Service Agreements, each Executive is entitled to an incentive bonus (“**Incentive Bonus**”) based on Group’s audited consolidated profit before taxation and before profit sharing (excluding non-recurring exceptional items and extraordinary items) but before minority interests of the Group for the relevant financial year (“**PBT**”) for any financial year, calculated as follows:

PBT Thresholds	Rate of Incentive Bonus payable as a percentage of PBT		
	Mr Poh Soon Keng	Mr Foo Der Rong	Mr Ng Choon Beng
(1) Where the PBT is equal to or less than S\$3 million	2.0% of the actual PBT achieved	1.5% of the actual PBT achieved	1.5% of the actual PBT achieved
(2) Where the PBT is more than S\$3 million but does not exceed S\$5 million	S\$60,000 plus 3.0% of the actual PBT achieved exceeding S\$3 million	S\$45,000 plus 2.0% of the actual PBT achieved exceeding S\$3 million	S\$45,000 plus 2.0% of the actual PBT achieved exceeding S\$3 million
(3) Where the PBT is more than S\$5 million but does not exceed S\$10 million	S\$120,000 plus 4.0% of the actual PBT achieved exceeding S\$5 million	S\$85,000 plus 3.0% of the actual PBT achieved exceeding S\$5 million	S\$85,000 plus 3.0% of the actual PBT achieved exceeding S\$5 million
(4) Where the PBT exceeds S\$10 million	S\$320,000 plus 5.0% of the actual PBT achieved exceeding S\$10 million	S\$235,000 plus 4.0% of the actual PBT achieved exceeding S\$10 million	S\$235,000 plus 4.0% of the actual PBT achieved exceeding S\$10 million

Save as disclosed above, there are no bonus or profit-sharing plans or any other profit-linked agreements or arrangements between our Company and any of our Directors, Executive Officers or employees.

The Executive shall not, during his employment under the Service Agreement and within a period of twelve (12) calendar months thereafter, in any territory where the Company or any Group Company operates directly or indirectly, except with the Company’s prior written consent:

- (a) either on his own account or for any other person or in conjunction with or on behalf of any other person, firm, or company, directly or indirectly, solicit, interfere with or endeavour to entice away from any Group Company any person who to his knowledge is now or has been (i) a client, customer or employee of, or in the habit of dealing with, any Group Company, (ii) in commercial negotiations with the Company or any Group Company with a view to placing business with the Company or such Group Company or (iii) visited by the Executive on behalf of the Company or any Group Company for the purpose of ascertaining the possibility of such person, firm or company doing business with the Company or such Group Company;
- (b) save for his current interests (disclosed and agreed to by the Company), either alone or jointly with or as a manager, agent for or employee of any person, directly or indirectly, carry on or be engaged or concerned or interested in any business which shall be in direct competition with the business carried on by any Group Company at the date hereof or as at the time of cessation of employment (as the case may be) (the “**Relevant Business**”);
- (c) act as a director or otherwise of any other person, firm or company engaging, directly or indirectly, in the Relevant Business which is in competition with the business of any Group Company; and
- (d) either on his own account or in conjunction with or on behalf of any other person, firm, or company solicit or entice away, or attempt to solicit or entice away, from the Group any person who was employed in an executive, technical or managerial capacity in the Group at the date of termination of his employment whether or not such person would commit a breach of his contract of employment by reason of leaving such employment.

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## CORPORATE GOVERNANCE

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Save as disclosed above, there are no other existing or proposed service contracts entered into or to be entered into between our Company and our subsidiaries with any of our Directors or Executive Officers. There are no existing or proposed service agreements entered or to be entered into by our Directors with our Company or our subsidiaries which provide for benefits upon termination of employment.

### CORPORATE GOVERNANCE

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders.

Our Board has formed three (3) committees: (a) the Nominating Committee; (b) the Remuneration Committee; and (c) the Audit Committee.

#### Nominating Committee

Our Nominating Committee comprises Mr Goh Joon Lian, Mr Hoon Tai Meng and Mr Poh Soon Keng. The Chairman of the Nominating Committee is Mr Goh Joon Lian.

Our Nominating Committee will be responsible for, *inter alia*:

- (a) reviewing and recommending the nomination or re-nomination of our Directors having regard to our Director's contribution and performance;
- (b) determining on an annual basis whether or not a Director is independent;
- (c) deciding whether or not a Director is able to and has been adequately carrying out his duties as a director; and
- (d) reviewing and approving any new employment of related persons and the proposed terms of their employment.

Our Nominating Committee will decide how our Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of our Board, which address how our Board has enhanced long-term shareholders' value. Our Board will also implement a process to be carried out by our Nominating Committee for assessing the effectiveness of our Board as a whole and for assessing the contribution of each individual Director to the effectiveness of our Board. Each member of our Nominating Committee shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as our Director.

Our Nominating Committee, after having considered the following:

- (a) the principal occupation and commitments of our Independent Directors, including the number of listed company board representations that each of them has (including those with the same financial year end as our Company);
- (b) the attendance to-date at board meetings of listed companies that each of our Independent Directors serves as independent directors;
- (c) the confirmations by our Independent Directors that they are able to devote sufficient time and attention to the matters of our Group;
- (d) the professional experience and expertise of our Independent Directors; and
- (e) the composition of our Board,

is of the opinion that Mr Goh Joon Lian, Mr Hoon Tai Meng and Mr Teo Joo Huak are able to commit sufficient time and resources to duties, and are suitable and possess the relevant experience as Independent Directors of our Company. Each of Mr Goh Joon Lian and Mr Hoon Tai Meng had abstained from the Nominating Committee's deliberation and opinion above in relation to themselves.

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## CORPORATE GOVERNANCE

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### Remuneration Committee

Our Remuneration Committee comprises Mr Hoon Tai Meng, Mr Teo Joo Huak and Mr Goh Joon Lian. The Chairman of our Remuneration Committee is Mr Hoon Tai Meng.

Our Remuneration Committee will, *inter alia*, recommend to our Board a framework of remuneration for our Directors and Executive Officers, and determine specific remuneration packages for each Executive Director. The recommendations of our Remuneration Committee should be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to, directors' fees, salaries, allowances, bonuses and other benefits-in-kind shall be covered by our Remuneration Committee. Each member of our Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package.

The remuneration of related employees will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from participating in the review.

### Audit Committee

Our Audit Committee comprises Mr Hoon Tai Meng, Mr Teo Joo Huak and Mr Goh Joon Lian. The Chairman of our Audit Committee is Mr Hoon Tai Meng.

Our Audit Committee does not have any past or existing business or professional relationship of a material nature with our Group, our Directors, Controlling Shareholders or Substantial Shareholders.

Our Audit Committee will assist our Board in discharging their responsibility to safeguard our assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group.

Our Audit Committee will provide a channel of communication between our Board, our management, our external auditors and our internal auditors on matters relating to audit.

Our Audit Committee shall meet periodically to perform, *inter alia*, the following functions:

- (a) assist our Board in the discharge of its responsibilities on financial reporting matters;
- (b) consider the appointment or re-appointment of the external auditors, the level of their remuneration and matters relating to resignation or dismissal of the external auditors, and review with the external auditors the audit plans, their evaluation of the system of internal accounting controls, their audit reports, their management letter and our management's response before submission of the results of such review to our Board for approval;
- (c) review the assurance from our CEO and Chief Financial Officer on the financial records and financial statements of our Group;
- (d) consider the appointment or re-appointment of the internal auditors, the level of their remuneration and matters relating to resignation or dismissal of the internal auditors, and review with the internal auditors the internal audit plans and scope of the internal audit post-listing, taking into consideration the observation points highlighted in the internal control review report prepared by KPMG Services Pte Ltd and the observation points highlighted in the management letter by our Independent Auditor and Independent Accountant. The Audit Committee will also review with the internal auditors, their evaluation of the adequacy of our internal accounting system and controls before submission of the results of such review to our Board for approval prior to the incorporation of such results in our annual report (where necessary);

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## CORPORATE GOVERNANCE

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- (e) review the adequacy, effectiveness, independence, scope and results of the external audit and our Group's internal audit functions;
- (f) review the system of internal accounting controls and procedures established by our management and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);
- (g) review the assistance, coordination and co-operation given by our Company's officers to the internal and external auditors;
- (h) review the half yearly and annual, and quarterly if applicable, financial statements and results announcements before submission to our Board for approval, focusing in particular, on changes in accounting policies and practices, major areas of judgement, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
- (i) review significant financial reporting issues and judgements, with the Chief Financial Officer and the external auditors, so as to ensure the integrity of the financial statements of our Group and any formal announcements relating to our Group's financial performance, before their submission to our Board;
- (j) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and consider the adequacy of our management's response;
- (k) review transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any) and examine the internal control procedures and review procedures put in place by our Company to determine if such procedures put in place are sufficient to ensure that interested person transactions are conducted on normal commercial terms and will not be prejudicial to our Group and our minority Shareholders;
- (l) review actual or potential conflicts of interest (if any), any matters arising therefrom including but not limited to any transfer of Shares by our Executive Chairman and CEO, Mr Poh Soon Keng, in Kaoson as described in the section entitled "Interested Person Transactions – Potential Conflicts of Interests" of this Offer Document and to set out a framework to resolve or mitigate any potential conflicts of interests;
- (m) monitor the investments in our customers, suppliers and competitors made by our Directors, CEO, Controlling Shareholders and/or their respective Associates who are involved in the management of or have shareholding interests in a similar or related business of our Group (to the extent disclosed by them to our Board) and make assessments on whether there are any potential conflicts of interests;
- (n) monitor the compliance of our Group with the framework and processes set out to resolve or mitigate any potential conflicts of interests to ensure that such framework and processes remain appropriate;
- (o) review and assess from time to time whether additional processes are required to be put in place to manage any conflicts of interest with our Directors, CEO, Controlling Shareholders and/or their respective Associates and propose, where appropriate, the relevant measures for the management of such conflicts;
- (p) review and propose, where appropriate, the relevant measures for the management of all conflicts of interest matters referred to it;
- (q) review the effectiveness and adequacy of our administrative, operating, internal accounting and financial control procedures;

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## CORPORATE GOVERNANCE

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- (r) review and approve all hedging policies and instruments (if any) to be implemented by our Group;
- (s) review our key financial risk areas, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNET;
- (t) undertake such other reviews and projects as may be requested by our Board and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;
- (u) to undertake, in general, 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;
- (v) review arrangements by which our 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;
- (w) review our Group's compliance with such functions and duties as may be required under the relevant statutes, regulations or the Catalist Rules, including such amendments made thereto from time to time, including (i) supervising and monitoring the performance of the finance team and auditors to ensure that the contravention of Section 175 and Section 201 of the Companies Act for FY2018 would not recur (Please refer to paragraph 2 of the section entitled "General and Statutory Information" of this Offer Document for more details); and (ii) reviewing and monitoring the measures taken by the Group to improve its grading in the Security Agencies Grading Exercise and prevent the recurrence of the previous contraventions of the relevant regulatory requirements (Please refer to the section entitled "General Information on Our Group – Business Overview – Security and Manpower Services" of this Offer Document for more details);
- (x) review and establish procedures for receipt, retention and treatment of complaints received by our Company, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on our Group; and
- (y) review the risk management structure and any oversight of the risk management process and activities on an annual basis to mitigate and manage risk at acceptable levels as determined by our Board.

Apart from the duties listed above, our 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 law, rule or regulation of the jurisdictions in which our Group operates, which has or is likely to have a material impact on our Company's operating results and/or financial position. In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

Our Board of Directors has noted that no material internal control weaknesses has been raised by our Independent Auditor and Independent Accountant in the course of their audit of the financial statements of our Group for FY2018, FY2019 and FY2020.

Prior to the Placement, our Company had engaged an internal auditor, KPMG Services Pte Ltd, to perform the review and test of controls of our Group's processes. Our Audit Committee has held discussions with Mr Loh Siew Keen, our Chief Financial Officer, the internal auditor, as well as our Independent Auditor and Independent Accountant, in relation to our Group's risk management systems and internal controls. Our Board of Directors has noted that no material risk management systems and internal control weakness had been raised by our Independent Auditor and Independent Accountant in the course of their audit of our Group's financial statements for FY2018, FY2019 and FY2020. Our Board of Directors also noted that the internal auditor has confirmed that they are satisfied that the management of our Group has adequately addressed all points raised in relation to our Group's internal control weaknesses.

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## CORPORATE GOVERNANCE

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Based on the foregoing, our Board, after making all reasonable enquiries and to the best of its knowledge and belief, with the concurrence of our Audit Committee, is of the opinion that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems of our Group are adequate and effective to address the financial, operational and compliance and information technology risks.

Following our Group's listing on Catalist, our Audit Committee will continually review the effectiveness of the risk management systems and internal control procedures within the Group. Our Audit Committee will also engage an independent firm as internal auditor to conduct internal audit follow-ups as well as ensure the adequacy and sufficiency of risk management systems and internal controls procedures within the Group. Prior to the decommissioning of such an annual audit, our Board is required to report to the SGX-ST and the continuing sponsor 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 our Audit Committee as and when it deems fit to satisfy itself that our Group's internal controls remain adequate and effective. Upon completion of the internal control audit, appropriate disclosure must be made via SGXNET on any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by our Board.

Our Audit Committee, after having (a) conducted an interview with Mr Loh Siew Keen; (b) considered the qualifications and past working experience of Mr Loh Siew Keen (as described in the section entitled "Directors, Executive Officers and Employees – Executive Officers" of this Offer Document); (c) observed Mr Loh Siew Keen's abilities, familiarity, diligence and competency in relation to the financial matters and information of our Group; (d) noted the absence of negative feedback on Mr Loh Siew Keen from KPMG LLP, our Independent Auditor and Independent Accountant and KPMG Services Pte Ltd, the internal auditor; and (e) made all reasonable enquiries, is of the view that Mr Loh Siew Keen is suitable for the position of Chief Financial Officer of our Group and he will be able to discharge his duties satisfactorily. Further, after making all reasonable enquiries, nothing has come to the attention of our Audit Committee to cause them to believe that Mr Loh Siew Keen does not have the competence, character and integrity expected of a Chief Financial Officer and key executive officer respectively, of a company listed on the SGX-ST.

### BOARD PRACTICES

Our Directors are to be appointed by our Shareholders at a general meeting and an election of Directors is held annually. One-third (or the number nearest to one-third) of our Directors, are required to retire from office at each annual general meeting. Further, all our Directors are required to retire from office at least once in every three (3) years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Further details on the appointment and retirement of our Directors can be found in the "Summary of the Constitution of our Company" as set out in Appendix C of this Offer Document.

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## EXCHANGE CONTROLS

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### **Singapore**

There are currently no exchange control restrictions in Singapore.

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## CLEARANCE AND SETTLEMENT

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Upon listing and quotation on the SGX-ST, our Shares will be traded under the book-entry settlement system of CDP, and all dealings in and transactions of the Shares through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts with CDP, as amended, modified or supplemented from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and Depository Agents in the Depository Register maintained by CDP, rather than CDP itself, will be treated, under our Constitution and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding our Shares in Securities Accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be *prima facie* evidence of title and may be transferred in accordance with our Constitution. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing the Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2.00 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of S\$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S\$0.20 per S\$100.00 or part thereof of the last-transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on the SGX-ST must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A deposit fee of S\$10.00 is payable upon the deposit of each instrument of transfer with CDP.

The above fees may be subject to such charges as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on the SGX-ST is payable at the rate of 0.0325% of the transaction value. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to Singapore GST at the prevailing rate of 7.0% (or such other rate prevailing from time to time).

Dealings of our Shares will be carried out in Singapore dollars and will be effected for settlement through CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with a CDP Depository Agent. The CDP Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

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## GENERAL AND STATUTORY INFORMATION

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### INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

1. Save as set out in paragraph 2 below, none of our Directors, Executive Officers or Controlling Shareholders:
  - (a) has, at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or her or against a partnership of which he or she was a partner at the time when he or she was a partner or at any time within two (2) years after the date he or she ceased to be a partner;
  - (b) has, at any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he or she was a director or an equivalent person or a key executive, at the time when he or she was a director or an equivalent person or a key executive of that entity or at any time within two (2) years after the date he or 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;
  - (c) has any unsatisfied judgement against him or her;
  - (d) 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 or she is aware) for such purpose;
  - (e) 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 or she is aware) for such breach;
  - (f) has, at any time during the last 10 years, had judgement entered against him or 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 or her part, nor has he or she been the subject of any civil proceedings (including any pending civil proceedings of which he or she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his or her part;
  - (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
  - (h) has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
  - (i) has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him or her from engaging in any type of business practice or activity;
  - (j) has ever, to his or her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of affairs of:
    - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
    - (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;

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## GENERAL AND STATUTORY INFORMATION

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- (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
- (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he or she was so concerned with the entity or business trust; or

- (k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or governmental agency, whether in Singapore or elsewhere.

### DISCLOSURE RELATING TO OUR COMPANY AND DIRECTORS

2. Aedge Technologies did not hold its annual general meeting for FY2018 within the time prescribed under Section 175 of the Companies Act. Aedge Technologies, Aedge Services and Aedge Holdings did not lay at its annual general meetings for FY2018, financial statements which were not more than six (6) months before the date of the meeting as prescribed under Section 201 of the Companies Act. Accordingly, composition fines amounting to S\$1,200.00 were paid to ACRA for the contravention of Section 175 of the Companies Act by Aedge Technologies and contravention of Section 201 of the Companies Act by the then directors of Aedge Technologies (including Mr Poh Soon Keng, Ms Tan Ah Hwa, and Mr Ng Choon Beng), Aedge Services (including Mr Poh Soon Keng) and Aedge Holdings (including Mr Poh Soon Keng, Ms Tan Siew Lan and Ms Tan Ah Hwa).

The members of our Nominating Committee (excluding Mr Poh Soon Keng) have considered the violations of Section 175 of the Companies Act by Aedge Technologies and Section 201 of the Companies Act by Mr Poh Soon Keng, being a director of Aedge Technologies, Aedge Services and Aedge Holdings, his qualifications and working experience, and the demonstration of his competency as an Executive Chairman and CEO, and after making all reasonable enquiries, are of the view that to the best of their knowledge and belief, nothing has come to the attention of the members of our Nominating Committee to cause them to believe that Mr Poh Soon Keng does not have the character and integrity expected of a director of a listed issuer.

3. For completeness only, around 1997, our Human Resource and Administration Director and Controlling Shareholder, Ms Tan Siew Lan, was a director of an employment agency which facilitates the employment of foreign domestic workers ("**FDW Agency**"). Our Operations Director (Transport) and Substantial Shareholder, Ms Tan Ah Hwa, had hired a foreign domestic worker through the FDW Agency. As Ms Tan Ah Hwa was not at home most of the time, she had placed her foreign domestic worker with Ms Tan Siew Lan. To the best knowledge of Ms Tan Siew Lan and Ms Tan Ah Hwa, this constituted a breach of the work permit conditions pursuant to which an employer may employ foreign domestic workers to perform household and domestic duties at the residential address stated in the work permit only. As such, the FDW Agency was fined by the MOM. Ms Tan Siew Lan confirms that the fine was duly paid up and no further action was taken by the relevant authorities. Due to the long period of time that has passed since this incident, Ms Tan Siew Lan and Ms Tan Ah Hwa confirm that they have no further records on this matter. The Company notes that Ms Tan Siew Lan is currently listed as a key appointment holder and director of Aedge Resources, a licensed employment agency, and that the MOM has not raised any issue in relation to such appointment.

### SHARE CAPITAL

4. As at the Latest Practicable Date, there is one (1) class of shares in the capital of our Company, being ordinary shares. There are no founder, management or deferred shares. Our existing Shares do not carry voting rights which are different from the Placement Shares. The rights and privileges attached to our Shares are stated in our Constitution.

## GENERAL AND STATUTORY INFORMATION

5. Save as disclosed in the sections entitled “Share Capital” and “Restructuring Exercise” of this Offer Document and below, there were no changes in the issued and paid-up share capital of our Company and our subsidiaries within the last three (3) years preceding the Latest Practicable Date:

Company	Date of issue/ increase	No of shares issued/amount of increase	Purpose of change in capital	Issued price of each share	Resultant capital
Our Company	3 October 2019	1	Incorporation - Allotment to PTCC	S\$1	S\$1
	24 March 2020	9,999	Restructuring Exercise	S\$1,170	S\$11,700,926
	24 March 2020	89,990,000	Sub-Division	–	S\$11,700,926
Aedge Services	8 January 2018	500,000	Working Capital - Allotment to Aedge Holdings	\$1	\$1,500,000

6. Save as disclosed in the sections entitled “Share Capital” and “Restructuring Exercise” of this Offer Document and paragraph 5 above, no shares in, or debentures of, our Company or our subsidiaries have been issued, or are proposed to be issued, as fully or partly paid for cash or for a consideration other than cash, during the last three (3) years preceding the date of lodgement of this Offer Document.
7. Save as disclosed in the sections entitled “Share Capital”, “Restructuring Exercise”, “Directors, Executive Officers and Employees” of this Offer Document, no person has, or has the right to be given an option to subscribe for or purchase securities in our Company or our subsidiaries.

### MATERIAL CONTRACTS

8. The following contracts, not being contracts entered into in the ordinary course of business of our Company and our subsidiaries (as the case may be), have been entered into by our Company and our subsidiaries (as the case may be) within two (2) years preceding the date of lodgement of this Offer Document and are or may be material:

No.	Date	Parties	Brief Description
1.	31 December 2018	Aedge Technologies, Aedge Holdings and Kaoson	Parties entered into an agreement pursuant to which, among others, Aedge Technologies and Aedge Holdings acquired assets of Kaoson, as described in the section entitled “Restructuring Exercise” of this Offer Document.
2.	30 June 2019	Aedge Services as Purchaser; Mr Poh Soon Keng, Ms Tan Siew Lan, Ms Tan Ah Hwa, Ms Poh Pei Chi and Mr Poh Cher Ying as Vendors	Parties entered into a sale and purchase agreement pursuant to which the Vendors shall sell their respective shares in Aedge Resources to Aedge Services, as described in the section entitled “Restructuring Exercise” of this Offer Document.
3.	24 March 2020	Our Company as Purchaser; Mr Poh Soon Keng, Ms Tan Siew Lan, Ms Tan Ah Hwa, Ms Poh Pei Chi and Mr Poh Cher Ying as Vendors	Parties entered into a sale and purchase agreement pursuant to which the Vendors shall sell their respective shares in Aedge Holdings to our Company, as described in the section entitled “Restructuring Exercise” of this Offer Document.
4.	24 March 2020	Our Company as Purchaser; Aedge Holdings as Vendor	Parties entered into a sale and purchase agreement pursuant to which Aedge Holdings shall sell its shares in Aedge Services and in Aedge Technologies as described in the section entitled “Restructuring Exercise” of this Offer Document.

## GENERAL AND STATUTORY INFORMATION

No.	Date	Parties	Brief Description
5.	24 March 2020	Our Company, Mr Poh Soon Keng, Mr Tay Choon Wah and Kaoson	Parties entered into the Kaoson Deed of Undertaking and Non-Competition as described in the section entitled "Interested Person Transactions – Potential Conflicts of Interests" of this Offer Document.
6.	24 March 2020	Our Company, Mr Poh Soon Keng and Ms Tan Siew Lan	Parties entered into the NZE Call Option and ROFR Agreement as described in the section entitled "Interested Person Transactions – Potential Conflicts of Interests" of this Offer Document.
7.	24 March 2020	Our Company and NZE	Parties entered into the NZE Deed of Non-Competition as described in the section entitled "Interested Person Transactions – Potential Conflicts of Interests" of this Offer Document.
8.	24 March 2020	Our Company, Mr Poh Soon Keng, Ms Tan Siew Lan and E Constructor	Parties entered into the E Constructor Deed of Undertaking as described in the section entitled "Interested Person Transactions – Potential Conflicts of Interests" of this Offer Document.
9.	24 March 2020	Our Company and Mr Poh Soon Keng	Parties entered into the PSK Deed of Non-Competition as described in the section entitled "Interested Person Transactions – Potential Conflicts of Interests" of this Offer Document.

### LITIGATION

9. As at the Latest Practicable Date, neither our Company nor our subsidiaries is engaged in any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the Offer Document, a material effect on our financial position or profitability and/or the financial position or profitability of our Company or our subsidiaries. In view of the nature our operations, our Group was and is involved in legal proceedings, both in the 12 months immediately preceding the date of lodgement of the Offer Document and on an on-going basis, relating to workplace and/or traffic accidents, all of which are fully covered and indemnified by our insurance. From time to time, we may also initiate contractual claims against customers who have engaged us for our engineering services for amounts unpaid to our Group.

### SPONSORSHIP, MANAGEMENT AND PLACEMENT ARRANGEMENTS

10. Pursuant to the Sponsorship and Management Agreement between our Company and UOBKH as the Sponsor and Issue Manager, our Company appointed UOBKH to manage and sponsor the Listing, subject to the terms and conditions of the Sponsorship and Management Agreement. UOBKH will receive a management fee for such services rendered.

The Sponsorship and Management Agreement may be terminated by the Sponsor and Issue Manager at any time before the close of the Application List on the occurrence of certain events including the following:

- (a) UOBKH becomes aware of any material breach by our Company and/or our agent(s) of any of the warranties, representations, covenants or undertakings given by our Company to UOBKH in the Sponsorship and Management Agreement;
- (b) there shall have been, since the date of the Sponsorship and Management Agreement, any change or prospective change in or any introduction or prospective introduction of any legislation, regulation, policy, directive, guideline, rule or byelaw by any relevant government or regulatory body, whether or not having the force of law, or any other occurrence of similar nature that would materially change the scope of work, responsibility or liability required of UOBKH; or

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## GENERAL AND STATUTORY INFORMATION

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- (c) our Company or our Company wilfully fails to comply with any advice from or recommendation of UOBKH.
11. Pursuant to the Placement Agreement between our Company and UOBKH as the Placement Agent, our Company appointed UOBKH as the Placement Agent, and UOBKH agreed to procure subscriptions for the Placement Shares, subject to the terms and conditions of the Placement Agreement, for a placement commission of 3.50% of the aggregate Placement Price (and the prevailing GST thereon, if applicable) for the total number of Placement Shares successfully subscribed, payable by our Company. UOBKH shall be at liberty at its own expense to make sub-placement arrangements in respect of its placement obligations under the Placement Agreement and/or to appoint such sub-placement agents upon such terms and conditions as UOBKH may deem fit.

Other than pursuant to the Placement Agreement, there are no contracts, agreements or understandings between our Company and any person or entity that would give rise to any claim for brokerage commission, finder's fees or other payments in connection with the subscription of the Placement Shares.

### MISCELLANEOUS

12. Save as disclosed in the sections entitled "Share Capital" and "Restructuring Exercise" of this Offer Document, there has been no previous issue of Shares by our Company or offer for sale of our Shares to the public since its incorporation.
13. There has not been any public take-over by a third party in respect of our Company's shares or by our Company in respect of shares of another corporation or units of a business trust which has occurred between the date of incorporation of our Company to the Latest Practicable Date.
14. Save as disclosed in the section entitled "General and Statutory Information – Sponsorship, Management and Placement Arrangements" of this Offer Document, no commission, discount or brokerage has been paid or other special terms granted within the two (2) years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company or our subsidiaries.
15. Save as disclosed in the sections entitled "Risk Factors", "Management's Discussion and Analysis of Results of Operations and Financial Position", "Capitalisation and Indebtedness", "General Information on our Group" and "Prospects, Trends, Business Strategies and Future Plans" of this Offer Document, the financial condition and operations of our Group are not likely to be affected by any of the following:
- (a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;
  - (b) material commitments for capital expenditure;
  - (c) unusual or infrequent events or transactions or any significant economic changes that may materially affect the amount of reported income from operations; and
  - (d) the business and financial prospects and any significant recent trends in production, sales and inventory, and in the costs and selling prices of products and services and known trends or uncertainties that have had or that we reasonably expect will have a material favourable or unfavourable impact on revenues, profitability, liquidity, capital resources or operating income or that would cause financial information disclosed to be not necessarily indicative of the future operating results or financial condition of our Company.

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## GENERAL AND STATUTORY INFORMATION

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16. Save as disclosed in the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position”, “Capitalisation and Indebtedness”, “General Information on our Group” and “Prospects, Trends, Business Strategies and Future Plans” of this Offer Document, our Directors are not aware of any event which has occurred since 30 June 2020 to the Latest Practicable Date which may have a material effect on the financial position and results of our Group or the financial information provided in this Offer Document.
17. KPMG LLP has been our auditors since incorporation. We currently have no intention of changing our auditors after the Listing.

### CONSENTS

18. The Sponsor, Issue Manager and Placement Agent has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its names and references thereto in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.
19. The Solicitors to the Placement and Legal Adviser to our Company as to Singapore Law has given, and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and references thereto, in the form and context in which it is included in this Offer Document and to act in such capacity in relation to this Offer Document.
20. The Independent Auditor and Independent Accountant has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of the “Independent Accountants’ Report and the Audited Combined Financial Statements for the Years Ended 30 June 2018, 2019 and 2020” as set out in Appendix A of this Offer Document, in the form and context in which it is included and references to its name in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.
21. The Solicitors to the Placement and Legal Adviser to our Company as to Singapore Law, the Share Registrar and Share Transfer Agent, the Principal Banker and the Receiving Bank, do not make, or purport to make, any statement in this Offer Document or any statement upon which a statement in this Offer Document is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any persons which is based on, or arises out of, the statements, information or opinions in this Offer Document.

### RESPONSIBILITY STATEMENT BY OUR DIRECTORS

22. This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Placement, our Company and its subsidiaries, and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

### DOCUMENTS AVAILABLE FOR INSPECTION

23. The following documents or copies thereof may be inspected at our registered office during normal business hours for a period of six (6) months from the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority:
  - (a) our Constitution;

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## GENERAL AND STATUTORY INFORMATION

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- (b) the “Independent Accountants’ Report and the Audited Combined Financial Statements for the Years Ended 30 June 2018, 2019 and 2020” as set out in Appendix A of this Offer Document;
- (c) the audited financial statements of our Company and its subsidiaries for the years ended 30 June 2018, 2019 and 2020 (where available);
- (d) the material contracts referred to in the section entitled “General and Statutory Information – Material Contracts” of this Offer Document;
- (e) the letters of consent referred to in the section entitled “General and Statutory Information – Consents” of this Offer Document; and
- (f) the Service Agreements referred to the section entitled “Corporate Governance – Service Agreements” in this Offer Document.

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**APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED  
COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018,  
2019 AND 2020**

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**Aedge Group Limited  
and its subsidiaries**

Audited Combined Financial Statements  
For the years ended 30 June 2018, 30 June 2019 and  
30 June 2020

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## **APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018, 2019 AND 2020**

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### **Independent Accountants’ Report on the Audited Combined Financial Statements for the years ended 30 June 2018, 2019 and 2020**

Members of the Company  
Aedge Group Limited

#### **Report on the audit of the combined financial statements**

##### *Opinion*

We have audited the combined financial statements of Aedge Group Limited (the “Company”) and its subsidiaries (collectively, the “Group”), which comprise the combined statements of financial position as at 30 June 2018, 30 June 2019 and 30 June 2020, and the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for each of the years ended 30 June 2018, 30 June 2019 and 30 June 2020, and notes to the combined financial statements, including a summary of significant accounting policies, as set out on pages A-5 to A-59.

In our opinion, the accompanying combined financial statements of the Group are properly drawn up in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and International Financial Reporting Standards (“IFRSs”) so as to give a true and fair view of the financial position of the Group as at 30 June 2018, 30 June 2019 and 30 June 2020, and of the financial performance, changes in equity and cash flows of the Group for each of the years ended 30 June 2018, 30 June 2019 and 30 June 2020.

##### *Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the ‘*Auditors’ responsibilities for the audit of the combined 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 combined 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.

##### *Responsibilities of management and directors for the combined financial statements*

Management is responsible for the preparation of combined financial statements that give a true and fair view in accordance with SFRSs and IFRSs, 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 combined financial statements and to maintain accountability of assets.

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## **APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018, 2019 AND 2020**

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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.

### *Auditors’ responsibilities for the audit of the combined financial statements*

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

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

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the 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 auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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**APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED  
COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018,  
2019 AND 2020**

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- 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.
- 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

*Restriction on Distribution and Use*

This report is made for the inclusion in the preliminary offer document to be issued in relation to the proposed offering of the shares of the Company in connection with the Company’s listing on the Catalist Board of the Singapore Exchange Securities Trading Limited.

**KPMG LLP**  
*Public Accountants and  
Chartered Accountants*

**Singapore**  
3 December 2020

Partner-in-charge: Tan Kar Yee Linda

**APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED  
COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018,  
2019 AND 2020**

**Combined Statements of Financial Position  
As at 30 June 2018, 2019 and 2020**

	Note	2018 \$	2019 \$	2020 \$
<b>Assets</b>				
Property, plant and equipment	4	11,962,618	12,774,124	11,540,468
Intangible assets	5	–	22,866	19,054
Fixed deposits	6	254,537	254,537	257,397
<b>Non-current assets</b>		<u>12,217,155</u>	<u>13,051,527</u>	<u>11,816,919</u>
Tax recoverables		150,580	134,989	–
Inventories	7	–	–	233,677
Trade and other receivables	8	6,152,484	5,592,136	8,297,838
Contract assets	9	1,881,875	2,006,817	479,040
Cash and cash equivalents	6	6,233,148	3,719,724	5,516,268
<b>Current assets</b>		<u>14,418,087</u>	<u>11,453,666</u>	<u>14,526,823</u>
<b>Total assets</b>		<u>26,635,242</u>	<u>24,505,193</u>	<u>26,343,742</u>
<b>Equity</b>				
Share capital	10	11,700,926	11,700,926	11,700,926
Reserves	11	5,372,977	4,623,628	3,045,247
<b>Total equity</b>		<u>17,073,903</u>	<u>16,324,554</u>	<u>14,746,173</u>
<b>Liabilities</b>				
Lease liabilities (2018: Finance lease liabilities, 2019: Finance lease liabilities)	12	4,169,875	2,211,541	1,182,607
Deferred tax liabilities	14	357,513	656,667	734,058
Provision	15	29,278	29,278	29,278
<b>Non-current liabilities</b>		<u>4,556,666</u>	<u>2,897,486</u>	<u>1,945,943</u>
Trade and other payables	16	2,557,517	2,973,560	4,647,729
Lease liabilities (2018: Finance lease liabilities, 2019: Finance lease liabilities)	12	2,419,781	2,274,751	1,421,350
Loans and borrowings	13	–	–	3,566,729
Current tax liabilities		27,375	34,842	15,818
<b>Current liabilities</b>		<u>5,004,673</u>	<u>5,283,153</u>	<u>9,651,626</u>
<b>Total liabilities</b>		<u>9,561,339</u>	<u>8,180,639</u>	<u>11,597,569</u>
<b>Total equity and liabilities</b>		<u>26,635,242</u>	<u>24,505,193</u>	<u>26,343,742</u>

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

**APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED  
COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018,  
2019 AND 2020**

**Combined Statements of Comprehensive Income  
For the years ended 30 June 2018, 2019 and 2020**

	Note	2018 \$	2019 \$	2020 \$
Revenue	17	19,907,040	24,539,586	23,684,884
Cost of sales	18	(16,823,370)	(20,566,856)	(21,101,118)
<b>Gross profit</b>		<u>3,083,670</u>	<u>3,972,730</u>	<u>2,583,766</u>
Other income	19	805,865	526,657	2,118,785
Distribution costs		(84,734)	(115,502)	(98,525)
Administrative expenses	20	(2,963,008)	(2,467,225)	(3,130,227)
Other expenses	21	(112,322)	(163,649)	(799,778)
<b>Results from operating activities</b>		<u>729,471</u>	<u>1,753,011</u>	<u>674,021</u>
Finance income		35,257	20,388	3,699
Finance costs		(199,379)	(170,299)	(131,723)
<b>Net finance costs</b>	22	<u>(164,122)</u>	<u>(149,911)</u>	<u>(128,024)</u>
<b>Profit before tax</b>	23	565,349	1,603,100	545,997
Tax expense	24	(99,123)	(352,449)	(124,378)
<b>Profit for the year and total comprehensive income for the year</b>		<u>466,226</u>	<u>1,250,651</u>	<u>421,619</u>
<b>Basic and diluted earnings per share (cents)</b>	25	<u>0.52</u>	<u>1.39</u>	<u>0.47</u>

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

**APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED  
COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018,  
2019 AND 2020**

**Combined Statements of Changes in Equity  
For the years ended 30 June 2018, 2019 and 2020**

	Note	Share capital \$	Capital reserve \$	Merger reserve \$	Retained earnings \$	Total \$
At 1 July 2017		11,700,926	199,995	(8,700,925)	13,907,681	17,107,677
<b>Total comprehensive income for the year</b>						
Profit for the year		–	–	–	466,226	466,226
<b>Total comprehensive income for the year</b>		–	–	–	466,226	466,226
<b>Transactions with owners, recognised directly in equity</b>						
<b>Distributions to owners</b>						
Dividends declared	11	–	–	–	(500,000)	(500,000)
<b>Total distributions to owners</b>		–	–	–	(500,000)	(500,000)
At 30 June 2018		11,700,926	199,995	(8,700,925)	13,873,907	17,073,903
At 1 July 2018		11,700,926	199,995	(8,700,925)	13,873,907	17,073,903
<b>Total comprehensive income for the year</b>						
Profit for the year		–	–	–	1,250,651	1,250,651
<b>Total comprehensive income for the year</b>		–	–	–	1,250,651	1,250,651
<b>Transactions with owners, recognised directly in equity</b>						
<b>Distributions to owners</b>						
Dividends declared	11	–	–	–	(2,000,000)	(2,000,000)
<b>Total distributions to owners</b>		–	–	–	(2,000,000)	(2,000,000)
At 30 June 2019		11,700,926	199,995	(8,700,925)	13,124,558	16,324,554

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

**APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED  
COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018,  
2019 AND 2020**

**Combined Statements of Changes in Equity  
For the years ended 30 June 2018, 2019 and 2020**

	Note	Share capital \$	Capital reserve \$	Merger reserve \$	Retained earnings \$	Total \$
At 1 July 2019		11,700,926	199,995	(8,700,925)	13,124,558	16,324,554
<b>Total comprehensive income for the year</b>						
Profit for the year		–	–	–	421,619	421,619
<b>Total comprehensive income for the year</b>		–	–	–	421,619	421,619
<b>Transactions with owners, recognised directly in equity</b>						
<b>Distributions to owners</b>						
Dividends declared	11	–	–	–	(2,000,000)	(2,000,000)
<b>Total distributions to owners</b>		–	–	–	(2,000,000)	(2,000,000)
At 30 June 2020		11,700,926	199,995	(8,700,925)	11,546,177	14,746,173

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

**APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED  
COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018,  
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**Combined statements of cash flows**  
**For the years ended 30 June 2018, 2019 and 2020**

	Note	2018 \$	2019 \$	2020 \$
<b>Cash flows from operating activities</b>				
Profit before tax		565,349	1,603,100	545,997
Adjustments for:				
Depreciation of property, plant and equipment	4	1,553,257	1,768,704	2,141,208
Amortisation of intangible assets	5	–	3,810	3,812
Impairment losses on trade and other receivables		37,815	631	306,136
Finance income		(35,257)	(20,388)	(3,699)
Finance cost		199,379	170,299	131,723
Loss on disposal/write-off of property, plant and equipment		8,316	61,185	211,283
		2,328,859	3,587,341	3,336,460
Changes in:				
- Inventories		–	–	(233,677)
- contract assets		(57,017)	(6,531)	1,527,777
- trade and other receivables		416,423	(314,913)	(3,011,838)
- trade and other payables		379,243	62,016	(310,502)
Cash generated from operations		3,067,508	3,327,913	1,308,220
Net tax (paid)/refunded		(147,778)	(32,378)	68,978
<b>Net cash from operating activities</b>		2,919,730	3,295,535	1,377,198
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment		(324,153)	(2,218,666)	(632,127)
Interest received		32,214	35,851	3,699
Receipt in amounts due from shareholders		411,946	497,341	–
Receipt/(payment) in amounts due from affiliated corporations		(174,850)	436,349	–
Proceeds from disposal of property, plant and equipment		656	276,540	65,733
Acquisition of subsidiary, net of cash	26	(250,000)	(103,095)	–
<b>Net cash used in investing activities</b>		(304,187)	(1,075,680)	(562,695)

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

**APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED  
COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018,  
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**Combined statements of cash flows (Cont’d)  
For the years ended 30 June 2018, 2019 and 2020**

	Note	2018 \$	2019 \$	2020 \$
<b>Cash flows from financing activities</b>				
Increase in deposits pledged to financial institution		(6,537)	–	(2,860)
Payment of lease liabilities (2018: finance lease liabilities, 2019: finance lease liabilities)		(2,432,886)	(2,707,500)	(2,544,057)
Payment in amount due to directors		(59,732)	(11,719)	(15,329)
Receipt/(payment) in amount due to affiliated corporations		9,648	(9,648)	–
Dividends paid		(500,000)	(2,000,000)	–
Net proceeds from loans and borrowings		–	–	3,565,496
Interest paid		–	–	(21,209)
<b>Net cash (used in)/from financing activities</b>		<u>(2,989,507)</u>	<u>(4,728,867)</u>	<u>982,041</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(373,964)	(2,509,012)	1,796,544
Cash and cash equivalents at beginning of the year		6,611,230	6,233,148	3,719,724
Effect of exchange rate fluctuations on cash held		(4,118)	(4,412)	–
<b>Cash and cash equivalents at end of the year</b>	6	<u><u>6,233,148</u></u>	<u><u>3,719,724</u></u>	<u><u>5,516,268</u></u>

***Significant non-cash transaction***

The Group purchased property, plant and equipment amounting to \$2,496,193, \$2,600,655 and \$1,070,171, of which \$2,172,040, \$381,989 and \$438,044 were acquired under lease arrangements, for the years ended 30 June 2018, 30 June 2019 and 30 June 2020.

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

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## **APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018, 2019 AND 2020**

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### **Notes to the combined financial statements**

These notes form an integral part of the combined financial statements.

## **1 Business and Organisation**

### **1.1 Introduction**

The combined financial statements of Aedge Group Limited (the “Company”) and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) have been prepared in accordance with the principles and the accounting policies set out in Note 3.

The combined financial statements have been prepared solely for inclusion in the Offer document (the “Offer document”) to be issued in relation to the proposed offering of shares of the Company in connection with the Company’s listing (the “Listing”) on Catalist of the Singapore Exchange Securities Trading Limited.

These combined financial statements of the Group were authorised for issue by the directors of the Company on 3 December 2020.

### **1.2 The Company**

The Company was incorporated in the Republic of Singapore on 3 October 2019 under the Companies Act as a private company limited by shares under the name of Aedge Group Pte Ltd, with its issued and paid up capital of \$1 comprising one share held by PTCC Holdings Pte Ltd. Immediately after the completion of the Restructuring Exercise as set out in Note 1.3, our issued and paid-up share capital was \$11,700,926 comprising 90,000,000 Shares. The Company was converted into a public limited company on 24 March 2020 and the name of the Company was changed to Aedge Group Limited in connection therewith.

The address of the Company’s registered office is Blk 4009 Ang Mo Kio Avenue 10, Tech Place I #04-33, Singapore 569738. The principal activities of the Company are those of an investment holding company. The principal activities of the subsidiaries are set out in Note 32 to the combined financial statements.

### **1.3 The restructuring exercise (“Restructuring Exercise”)**

On 24 March 2020, the Company acquired 100% of the issued and paid-up share capital in Aedge Holdings Pte Ltd pursuant to a sale and purchase agreement dated 24 March 2020 with the shareholders of Aedge Holdings Pte Ltd for a consideration of \$11,700,925. The consideration was arrived at based on the net asset value of Aedge Holdings Pte Ltd as at 30 June 2019, and the consideration was satisfied by the allotment and issue of 9,999 ordinary shares of the Company to the vendors. On 24 March 2020, each ordinary share was split into 9,000 ordinary shares via a share split arrangement.

Upon completion of the above acquisition, Aedge Holdings Pte Ltd and its subsidiaries became subsidiaries of the Company.

On 24 March 2020, the Company also acquired 100% of the issued and paid-up share capital in Aedge Services Pte Ltd and Aedge Technologies from Aedge Holdings Pte Ltd pursuant a sale and purchase agreement dated 24 March 2020, for a nominal consideration of \$1.00 for each of the entities. The consideration was satisfied by cash.

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## **APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018, 2019 AND 2020**

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The Restructuring Exercise was accounted for as a combination of businesses under common control by the shareholders of the Company as it controls the Group entities before and after the Restructuring Exercise. The presentation reflects the economic substance of the combining companies, which were under common control throughout the relevant period, as a single economic enterprise, notwithstanding that the Restructuring Exercise was completed during the year ended 30 June 2020.

### 1.4 Subsidiaries

The combined financial statements of the Group have been prepared to reflect the operations of the Company and its subsidiaries as a single economic enterprise and consist of those entities under common control during the years ended 30 June 2018, 2019 and 2020.

The principal activities of the subsidiaries are set out in Note 32 of the financial statements.

## **2 Basis of preparation**

### 2.1 Statement of compliance

The combined financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and International Financial Reporting Standards (“IFRSs”). SFRS(I)s are issued by the Accounting Standards Council, which comprise standards and interpretations that are equivalent to IFRSs issued by the International Accounting Standards Board.

All references to SFRS(I)s and IFRSs are subsequently referred to as SFRS(I)s in these financial statements unless otherwise specified.

The Group has adopted SFRS(I) 16 *Leases* on 1 July 2019. The related changes to significant accounting policies are described in Note 33.

### 2.2 Basis of measurement

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

### 2.3 Functional and presentation currency

These combined financial statements are presented in Singapore dollars, which is the Company’s functional currency.

### 2.4 Use of estimates and judgements

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

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

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## APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018, 2019 AND 2020

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Information about assumptions and estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year are included in Note 31 – measurement of ECL allowance for trade and other receivables and contract assets.

### ***Measurement of fair values***

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

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

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

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

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

## **3 Significant accounting policies**

The accounting policies set out below have been applied consistently by the Group to all periods in these financial statements and have been applied consistently by Group entities, except as explained in Note 33, which addresses changes in accounting policies.

### **3.1 Basis of consolidation**

#### **(i) Business combinations**

Business combinations are accounted for using the acquisition method when control is transferred to the Group.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
  - the recognised amount of any non-controlling interest (“NCI”) in the acquiree; plus
  - if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,
- over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

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

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## **APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018, 2019 AND 2020**

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

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

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

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

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

### **(ii) Subsidiaries**

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

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

### **(iii) Acquisitions from entities under common control**

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder’s consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

### **(iv) Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

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(v) **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the combined financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 **Foreign currency**

**Foreign currency transactions**

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

Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

3.3 **Financial instruments**

(i) **Recognition and initial measurement**

***Non-derivative financial assets and financial liabilities***

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) **Classification and subsequent measurement**

***Non-derivative financial assets***

On initial recognition, a financial asset is classified as measured at amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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## APPENDIX A – INDEPENDENT ACCOUNTANTS' REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018, 2019 AND 2020

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### *Financial assets at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

### ***Financial assets: Business model assessment***

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

### ***Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest***

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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## APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018, 2019 AND 2020

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A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

### ***Non-derivative financial assets: Subsequent measurement and gains and losses***

#### *Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

### ***Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses***

Financial liabilities are classified as measured at amortised cost.

These financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

## **(iii) Derecognition**

### ***Financial assets***

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

### ***Financial liabilities***

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

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

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**APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED  
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**(iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(v) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded in cash and cash equivalents.

**(vi) Share capital**

***Ordinary shares***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

**3.4 Property, plant and equipment**

**(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

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

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

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

**(ii) Subsequent costs**

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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## APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018, 2019 AND 2020

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### (iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Office and storage space	2 – 3 years
• Fixtures and fittings	5 years
• Computers	1 – 3 years
• Office equipment	5 years
• Motor vehicles	5 – 10 years
• Machinery and equipment	5 years
• Scaffold equipment	10 years
• Insulation equipment	10 years
• Renovation	3 – 10 years or over leased years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

### 3.5 Inventories

Inventories of scaffolding materials are stated at the lower of cost and net realisable value. Cost is determined using the specific identification method. Cost comprises the purchase price, including transport and handling costs, and other directly attributable costs of acquisition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

### 3.6 Intangible assets

#### (i) Recognition and measurement

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

#### (ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

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## APPENDIX A – INDEPENDENT ACCOUNTANTS' REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018, 2019 AND 2020

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### (iii) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

- Customer relationships 7 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

### 3.7 Leases

The Group has applied SFRS(I) 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under SFRS(I) 1-17 and SFRS(I) INT 4. The details of accounting policies under SFRS(I) 1-17 and SFRS(I) INT 4 are disclosed separately.

#### Policy applicable from 1 July 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

This policy is applied to contracts entered into, on or after 1 July 2019.

#### As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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## **APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2018, 2019 AND 2020**

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The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in ‘property, plant and equipment’.

### *Short-term leases*

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **Leases - Policy applicable before 1 July 2019**

For contracts entered into before 1 July 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

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### As a lessee

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group’s statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

### 3.8 Impairment

#### (i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for expected credit loss (ECLs) on financial assets measured at amortised costs, contract assets.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

#### *Simplified approach*

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

#### *General approach*

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

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The Group considers a financial asset and a contract asset to be in default when the borrower or customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

### *Measurement of ECLs*

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

### *Presentation of allowance for ECLs in the statement of financial position*

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

## **(ii) Non-financial assets**

The carrying amounts of the Group’s non-financial assets, other than contract assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

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The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group’s corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

### **3.9 Employee benefits**

#### **(i) Defined contribution plans**

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

#### **(ii) Employee leave entitlements and other short-term employee benefits**

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

### **3.10 Provisions**

Provisions are recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

### **3.11 Revenue**

#### ***Engineering services, transport services and security and manpower services***

Revenue from rendering of services in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction prices allocated to the satisfied PO.

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The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised services. The individual standalone selling price of a service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocation of the transaction price to services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all of the POs if it relates to those POs.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards completion satisfaction of that PO.

### 3.12 Government grants

Cash grants received from the government such as Wage Credit Scheme, SME cash grants, Productivity and Innovation Credits, Jobs Support Scheme and Foreign Worker Levy Rebate are recognised as ‘other income’ on a systematic basis in the same periods in which the expenses are recognised.

### 3.13 Finance income and finance costs

The Group’s finance income and costs include:

- interest income on funds invested;
- interest expense on lease liabilities and loans and borrowings; and
- foreign currency gains and losses on financial assets and financial liabilities.

Interest income or expense is recognised as it accrues in profit or loss, using the effective interest method.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

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### 3.14 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

### **3.15 Earnings per share**

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

### **3.16 Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are reviewed by the Group’s CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group’s CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company’s headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets.

### **3.17 New standards and interpretations not adopted**

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2019 and earlier application is permitted. The Group has not early adopted the new or amended standards and interpretations in preparing these financial statements. The Group is in the process of assessing the impact of the standards and amendment to standards on its financial statements.

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**4 Property, plant and equipment**

	Note	Office and storage space \$	Fixtures and fittings \$	Computers \$	Office equipment \$	Motor vehicles \$	Machinery and equipment \$	Scaffold equipment \$	Insulation equipment \$	Renovation \$	Total \$
<b>Cost</b>											
At 1 July 2017		-	47,575	158,506	54,113	14,303,452	180,925	-	-	113,818	14,858,389
Additions		-	-	13,147	3,638	2,447,155	32,253	-	-	-	2,496,193
Disposals/write-off		-	(23,416)	(89,373)	(9,052)	(8,011)	(65,426)	-	-	-	(195,278)
At 30 June 2018		-	24,159	82,280	48,699	16,742,596	147,752	-	-	113,818	17,159,304
Acquisition of subsidiaries	26	-	-	1,494	342	85,767	74,335	155,342	-	-	317,280
Additions		-	6,882	7,376	67,005	977,697	52,633	1,324,272	100,386	64,404	2,600,655
Disposals/write-off		-	(179)	(4,380)	(297)	(250,130)	(32,868)	(123,423)	(3,937)	-	(415,214)
At 30 June 2019		-	30,862	86,770	115,749	17,555,930	241,852	1,356,191	96,449	178,222	19,662,025
Recognition of right-of-use on initial application of SFRS(I) 16		114,397	-	-	-	-	-	-	-	-	114,397
Adjusted balance at 1 July 2019		114,397	30,862	86,770	115,749	17,555,930	241,852	1,356,191	96,449	178,222	19,776,422
Additions		438,044	3,900	36,144	15,698	57,670	16,282	408,298	1,155	92,980	1,070,171
Disposals/write-off		-	(2,160)	-	-	(686,776)	(8,955)	(242,852)	(4,993)	-	(945,736)
At 30 June 2020		552,441	32,602	122,914	131,447	16,926,824	249,179	1,521,637	92,611	271,202	19,900,857
<b>Accumulated depreciation</b>											
At 1 July 2017		-	40,316	134,075	28,508	3,380,819	139,451	-	-	106,566	3,829,735
Depreciation charge for the year		-	3,109	18,202	7,753	1,503,738	18,119	-	-	2,336	1,553,257
Disposals/write-off		-	(23,416)	(89,373)	(8,532)	(400)	(64,585)	-	-	-	(186,306)
At 30 June 2018		-	20,009	62,904	27,729	4,884,157	92,985	-	-	108,902	5,196,686
Depreciation charge for the year		-	2,019	14,886	12,893	1,671,552	27,060	35,143	1,640	3,511	1,768,704
Disposals/write-off		-	(179)	(3,219)	(5)	(46,925)	(26,479)	(649)	(33)	-	(77,489)
At 30 June 2019		-	21,849	74,571	40,617	6,508,784	93,566	34,494	1,607	112,413	6,887,901
Depreciation charge for the year		164,247	3,039	7,253	22,967	1,707,255	31,332	152,281	9,708	43,126	2,141,208
Disposals/write-off		-	(2,160)	-	-	(641,620)	(3,823)	(20,576)	(541)	-	(668,720)
At 30 June 2020		164,247	22,728	81,824	63,584	7,574,419	121,075	166,199	10,774	155,539	8,360,389
<b>Carrying amounts</b>											
At 1 July 2017		-	7,259	24,431	25,605	10,922,633	41,474	-	-	7,252	11,028,654
At 30 June 2018		-	4,150	19,376	20,970	11,858,439	54,767	-	-	4,916	11,962,618
At 30 June 2019		-	9,013	12,199	75,132	11,047,146	148,286	1,321,697	94,842	65,809	12,774,124
At 30 June 2020		388,194	9,874	41,090	67,863	9,352,405	128,104	1,355,438	81,837	115,663	11,540,468

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Property, plant and equipment includes right-of-use assets of \$5,981,401 related to leases office and storage space and motor vehicles as at 30 June 2020.

**Assets held under leases (classified as finance lease under SFRS(I) 1-17)**

The Group leases motor vehicles under a number of leases. The leased motor vehicles secure the lease obligations. The net carrying amounts of leased motor vehicles amounted to \$10,106,000, \$9,178,000 and \$5,593,207 for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 respectively.

**5 Intangible assets**

	Note	Customer relationships \$
<b>Cost</b>		
At 1 July 2017 and 30 June 2018		–
Acquisition of subsidiary	26	26,676
At 30 June 2019 and 30 June 2020		<u>26,676</u>
<b>Accumulated amortisation</b>		
At 1 July 2017 and 30 June 2018		–
Amortisation charge for the year		3,810
At 30 June 2019		<u>3,810</u>
Amortisation charge for the year		3,812
At 30 June 2020		<u>7,622</u>
<b>Carrying amounts</b>		
At 1 July 2017 and 30 June 2018		–
At 30 June 2019		<u>22,866</u>
At 30 June 2020		<u>19,054</u>

**6 Fixed deposits and cash and cash equivalents**

	2018 \$	2019 \$	2020 \$
Cash on hand	2,115	17,136	25,949
Fixed deposits	3,288,730	254,537	257,397
Cash at bank	3,196,840	3,702,588	5,490,319
Cash and cash equivalents	<u>6,487,685</u>	<u>3,974,261</u>	<u>5,773,665</u>
Presented on the statements of financial position as:			
Fixed deposits (non-current)	254,537	254,537	257,397
Cash and cash equivalents (current)	6,233,148	3,719,724	5,516,268
	<u>6,487,685</u>	<u>3,974,261</u>	<u>5,773,665</u>
Deposits pledged	<u>(254,537)</u>	<u>(254,537)</u>	<u>(257,397)</u>
Cash and cash equivalents in the statement of cash flows	<u>6,233,148</u>	<u>3,719,724</u>	<u>5,516,268</u>

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Fixed deposits amounting to \$254,537, \$254,357 and \$257,397 as at 30 June 2018, 30 June 2019 and 30 June 2020 respectively were pledged to financial institutions for banker’s guarantee facilities (see Note 13).

**7 Inventories**

	2018 \$	2019 \$	2020 \$
Scaffolding materials	–	–	233,677

**8 Trade and other receivables**

	2018 \$	2019 \$	2020 \$
Trade receivables:			
- third parties	2,878,552	4,938,975	6,166,269
- affiliated corporations	1,948,338	–	–
- retention receivable	–	34,510	41,066
Impairment losses	(20,087)	(20,087)	(274,000)
	4,806,803	4,953,398	5,933,335
Other receivables (non-trade):			
- affiliated corporations	436,349	–	–
- shareholders	497,341	–	–
- grant receivables	–	–	611,919
- others	88,415	8,365	41,155
Accrued receivables:			
- affiliated corporations	204	–	–
Accrued interest receivables	15,463	–	–
Deposits	141,075	168,149	214,589
	5,985,650	5,129,912	6,800,998
Prepayments	166,834	462,224	1,496,840
	6,152,484	5,592,136	8,297,838

An affiliated corporation is defined as a corporation:

- (a) in which a director of the Company has substantial financial interests or who is in a position to exercise significant influence; and/or
- (b) which directly or indirectly, through one or more intermediaries is under the control of a common shareholder.

The non-trade amounts due from affiliated corporations and shareholders are interest-free, unsecured and repayable on demand. There is no allowance for doubtful debts arising from these outstanding balances as the ECL is not material.

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The non-trade amounts due from affiliated corporations related to funds paid on behalf of affiliated corporations.

The non-trade amounts due from shareholders related to advances previously due from affiliated corporations which were undertaken by shareholders, funds paid on behalf of shareholders and receivables from shareholders arising from common control transaction.

The grant receivables relate to monies receivable under the Jobs Support Scheme implemented by the Singapore government.

**9 Contract assets**

	2018 \$	2019 \$	2020 \$
Contract assets	1,881,875	2,006,817	479,040

Contract assets relate primarily to the Group’s right to consideration for work completed but not yet billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

	2018 \$	2019 \$	2020 \$
Contract asset reclassified to trade receivables	(1,824,858)	(1,881,875)	(2,006,817)
Changes in measurement of progress	1,881,875	2,006,817	479,040

**10 Share capital**

	2018 No. of shares	2019 No. of shares	2020 No. of shares
<b>Issued and fully-paid ordinary shares with no par value:</b>			
At 30 June	90,000,000	90,000,000	90,000,000

The Company was incorporated in the Republic of Singapore on 3 October 2019 with its issued and paid up share capital of \$1 comprising one share held by PTCC Holdings Pte Ltd. On 24 March 2020, the Company issued 9,999 ordinary shares pursuant to the Restructuring Exercise disclosed in Note 1.3. On 24 March 2020, each ordinary share was split into 9,000 ordinary shares via a share split arrangement.

Share capital as presented in the combined statements of financial position refers to ordinary shares issued pursuant to Restructuring Exercise in Note 1.3, as adjusted for the share split, which is deemed to have taken place since the beginning of the earliest period presented.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company’s residual assets.

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***Capital management***

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Group, comprising issued capital and retained earnings. The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through optimisation of debt and equity balance.

There were no changes in the Group’s approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

## 11 Reserves

The reserves of the Group comprise the following balances

	2018 \$	2019 \$	2020 \$
Capital reserve	199,995	199,995	199,995
Merger reserve	(8,700,925)	(8,700,925)	(8,700,925)
Retained earnings	13,873,907	13,124,558	11,546,177
	<u>5,372,977</u>	<u>4,623,628</u>	<u>3,045,247</u>

**Capital reserve**

The capital reserve relates to deemed contribution from the shareholders of the ultimate holding company for the acquisition of a subsidiary.

**Merger reserve**

The merger reserve relates to the difference between the consideration paid and the paid-in capital of entities under common control which were acquired by the Group.

**Dividends**

The following exempt (one-tier) dividends were declared by the Group:

	2018 \$	2019 \$	2020 \$
<b>Paid to the owners</b>			
0.4685 cents per ordinary share (2018: 0.1667 cents, 2019: 0.6667 cents)	500,000	2,000,000	2,000,000
	<u>500,000</u>	<u>2,000,000</u>	<u>2,000,000</u>

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**12 Lease liabilities (2018: Finance lease liabilities, 2019: Finance lease liabilities)**

	2018 \$	2019 \$	2020 \$
Non-current	4,169,875	2,211,541	1,182,607
Current	2,419,781	2,274,751	1,421,350
	6,589,656	4,486,292	2,603,957

Terms and conditions are as follows:

	Currency	Effective interest rate per annum %	Year of maturity	Carrying amount \$
<b>At 30 June 2018</b>				
Finance lease liabilities	SGD	2.51% - 5.25%	2019 - 2022	6,589,656
<b>At 30 June 2019</b>				
Finance lease liabilities	SGD	1.30% - 5.24%	2020 - 2024	4,486,292
<b>At 30 June 2020</b>				
Lease liabilities	SGD	2.49% - 5.24%	2020 - 2024	2,603,957

Finance lease liabilities are payable as follows:

	Future minimum lease payments \$	Interest \$	Present value of minimum lease payments \$
<b>At 30 June 2018</b>			
Within one year	2,575,224	155,443	2,419,781
Within two to five years	4,310,379	140,504	4,169,875
	6,885,603	295,947	6,589,656
<b>At 30 June 2019</b>			
Within one year	2,372,273	97,522	2,274,751
Within two to five years	2,283,033	71,491	2,211,541
	4,655,306	169,013	4,486,292

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**Reconciliation of movements of liabilities to cash flows arising from financing activities**

	Liabilities			Total \$
	Finance lease liabilities \$	Non-trade amounts due to affiliated corporations (Note 16) \$	Non-trade amounts due to directors of a subsidiary (Note 16) \$	
<b>Balance at 1 July 2017</b>	6,655,447	–	88,410	6,743,857
<b>Changed from financing cash flows</b>				
Payment of finance lease liabilities	(2,432,886)	–	–	(2,432,886)
Payment in amount due to directors of a subsidiary	–	–	(59,732)	(59,732)
Receipt in amount due to affiliated corporations	–	9,648	–	9,648
<b>Total changes arising from financing cash flows</b>	(2,432,886)	9,648	(59,732)	(2,482,970)
<b>Other changes</b>				
<i>Liability-related</i>				
New finance lease	2,172,040	–	–	2,172,040
Interest expense	195,055	–	–	195,055
<b>Total liability-related other changes</b>	2,367,095	–	–	2,367,095
<b>Balance at 30 June 2018</b>	6,589,656	9,648	28,678	6,627,982
<b>Balance at 1 July 2018</b>	6,589,656	9,648	28,678	6,627,982
<b>Changed from financing cash flows</b>				
Payment of finance lease liabilities	(2,707,500)	–	–	(2,707,500)
Payment in amount due to directors of a subsidiary	–	–	(11,719)	(11,719)
Payment in amount due to affiliated corporations	–	(9,648)	–	(9,648)
<b>Total changes arising from financing cash flows</b>	(2,707,500)	(9,648)	(11,719)	(2,728,867)
<b>Other changes</b>				
<i>Liability-related</i>				
New finance lease	438,249	–	–	438,249
Interest expense	165,887	–	–	165,887
<b>Total liability-related other changes</b>	604,136	–	–	604,136
<b>Balance at 30 June 2019</b>	4,486,292	–	16,959	4,503,251

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	Liabilities			Total \$
	Lease liabilities \$	Loans and borrowings (Note 13) \$	Non-trade amounts due to directors of a subsidiary (Note 16) \$	
<b>Balance at 1 July 2019</b>	4,486,292	–	16,959	4,503,251
Impact of SFRS(I) 16 adoption	114,397	–	–	114,397
Adjusted balance at 1 July 2019	4,600,689		16,959	4,617,648
<b>Changed from financing cash flows</b>				
Payment of lease liabilities	(2,544,057)	–	–	(2,544,057)
Payment in amount due to directors of a subsidiary	–	–	(15,329)	(15,329)
Net proceeds from loans and borrowings	–	3,565,496	–	3,565,496
Interest paid	–	(21,209)	–	(21,209)
<b>Total changes arising from financing cash flows</b>	<b>(2,544,057)</b>	<b>3,544,287</b>	<b>(15,329)</b>	<b>984,901</b>
<b>Other changes Liability-related</b>				
New lease	438,044	–	–	438,044
Interest expense	109,281	22,442	–	131,723
<b>Total liability-related other changes</b>	<b>547,325</b>	<b>22,442</b>	<b>–</b>	<b>569,767</b>
<b>Balance at 30 June 2020</b>	<b>2,603,957</b>	<b>3,566,729</b>	<b>1,630</b>	<b>6,172,316</b>

### 13 Loans and borrowings

	2018 \$	2019 \$	2020 \$
<b>Current liabilities</b>			
Term loan (secured)	–	–	3,001,233
Trade receivables factoring facility (secured)	–	–	565,496
	–	–	3,566,729

The Group’s term loan and factoring facility were secured by joint and several personal guarantees by a director of the Company, and a director of a subsidiary.

The Group’s term loan is repayable in monthly instalment between 1 July 2021 to 30 June 2025. Nonetheless, the loan contains a callable clause stating that the bank may at their absolute discretion cancel or withdraw the term loan facility. Accordingly, the Group’s term loan with a carrying amount of \$3,001,233 has been classified as current liabilities.

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The Group entered into a factoring arrangement in March 2020. Under the factoring arrangement, the Group may elect to receive early receipt of their invoices from a bank by factoring the Group’s trade receivables. Under the arrangement, a bank agrees to pay amounts to the Group in respect of invoices owned by customers and receives settlement from the Group at a later date.

***Terms and debt repayment schedule***

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate per annum %	Year of maturity	Face value \$	Carrying amount \$
<b>2020</b>				
Term Loan	2.5%	2021 - 2025	3,001,233	3,001,233
Factoring facility	COF + 1.75%*	2021	565,496	565,496
			3,566,729	3,566,729

\*Being bank’s Cost of Fund +1.75% per annum

***Banker guarantee facilities***

As at 30 June 2020, the Group holds banker’s guarantee facilities of \$221,713 (2018: \$221,713, 2019: \$221,713). These banker’s guarantee facilities were utilised as performance bonds in respect of certain contracts with customers. At the reporting date, the Group does not consider it probable that a claim will be made against the Group under the performance bonds.

The Group’s banker’s guarantee facilities were secured by fixed deposits (see Note 6).

## 14 Deferred tax liabilities

Movements in deferred tax liabilities are as follows:

	At 1 July 2017 \$	Recognised in profit or loss (Note 24) \$	At 30 June 2018 \$	Acquisition of subsidiary (Note 26)	Recognised in profit or loss (Note 24) \$	At 30 June 2019 \$	Recognised in profit or loss (Note 24) \$	At 30 June 2020 \$
<b>Deferred tax liabilities</b>								
Property, plant and equipment	292,381	65,132	357,513	–	297,661	655,174	268,802	923,976
Intangible assets	–	–	–	2,141	(648)	1,493	1,746	3,239
Lease liabilities	–	–	–	–	–	–	(66,710)	(66,710)
Tax loss carry forwards	–	–	–	–	–	–	(126,447)	(126,447)
	292,381	65,132	357,513	2,141	297,013	656,667	77,391	734,058

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***Unrecognised deferred tax assets***

Deferred tax assets have not been recognised in respect of the following items:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Deductible temporary differences	55,981	174,602	654,042
Tax losses	490,304	498,503	500,217
	<u>546,285</u>	<u>673,105</u>	<u>1,154,259</u>

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

**15 Provision**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
At 1 July	29,072	29,278	29,278
Accretion of interest	206	–	–
At 30 June	<u>29,278</u>	<u>29,278</u>	<u>29,278</u>

The Group expects to incur a liability upon the expiry of the respective lease agreements for offices premises. These costs are included as part of the carrying amounts of property, plant and equipment under “renovation”. The largest uncertainty in estimating the provision is the costs that will be incurred. In particular, the Group has estimated the provision for restoration costs based on latest quotation received.

**16 Trade and other payables**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade payables:			
- affiliated corporations	48,065	–	–
- third parties	829,895	1,211,388	688,506
- GST payable	303,977	289,112	224,567
- customer deposits	–	777	3,437
- Accrued expenses:			
- affiliated corporations	8,470	–	–
- third parties	168,261	308,719	93,690
Other payables (non-trade):			
- affiliated corporations	9,648	–	–
- directors of a subsidiary	28,678	16,959	1,630
- shareholders	20,005	5	–
- others	–	6,272	1,687
Accrued operating expenses	84,238	202,421	183,556
Accrued salaries and wages	1,056,280	937,907	685,169
Dividends payable	–	–	2,000,000
Deferred grant income	–	–	765,487
	<u>2,557,517</u>	<u>2,973,560</u>	<u>4,647,729</u>

The non-trade amounts due to affiliated corporations, directors and shareholders are interest-free, unsecured and repayable on demand.

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The non-trade amounts due to shareholders and directors relate to amounts reimbursable to shareholders and directors during the Group’s normal course of business.

The deferred grant income relates to monies received under the Jobs Support Scheme implemented by the Singapore government. The deferred grant income is recognised to the statement of comprehensive income on a systematic basis over the estimated period of economic uncertainty in which the Group recognises the related salary cost.

**17 Revenue**

	2018	2019	2020
	\$	\$	\$
Revenue from contracts with customers:			
- Engineering services	3,043,684	5,041,809	5,905,374
- Transportation services	7,750,026	7,489,775	6,018,143
- Security and manpower services	9,113,330	12,008,002	11,761,367
	19,907,040	24,539,586	23,684,884

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

**Engineering services**

Nature of goods and services	Provision and installation of scaffolding solutions, insulation and passive fire protection systems, HVAC and refrigeration systems, and electrical systems. Provision of workers on contract or ad-hoc basis for engineering services.
When revenue is recognised	Revenue is recognised over time as the services are provided and when all criteria for acceptance have been satisfied.
Significant payment terms	Invoices are payable within 30 days.

**Transport services**

Nature of goods and services	Provision of bus services for public premium service routes, schools, corporates and ad hoc charters.
When revenue is recognised	For public bus transport, revenue is recognised at the end of the ride. For other transport services, revenue is recognised over the term of the contract.
Significant payment terms	For public bus transport, payment is at the start of each ride. For other transport services, invoices are payable within 30 days.

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**Security and manpower services**

Nature of goods and services	Provision of security services, cleaning services and manpower staffing for aviation technicians.
When revenue is recognised	Revenue is recognised over time as the services are provided and when all criteria for acceptance have been satisfied.
Significant payment terms	Invoices are payable within 30 days.

The Group does not disaggregate the revenue further as the above are generated in the Singapore market and are transferred to the customers over time.

**18 Cost of sales**

	2018	2019	2020
	\$	\$	\$
Depreciation of property, plant and equipment	1,495,314	1,702,912	1,872,532
Direct costs for transportation services	2,432,911	2,342,080	1,657,251
Direct costs for security and manpower services	163,055	234,800	652,493
Direct costs for engineering services (including cost of inventories)	–	275,508	950,058
Employee benefits expense (see Note 23)	11,544,098	14,530,274	14,115,092
Repair and maintenance	395,544	359,285	394,611
Subcontractor cost	460,901	640,301	616,738
Operating lease expenses	324,411	371,271	–
Expenses relating to leases of short-term leases	–	–	539,493
Others	7,136	110,425	302,850
	<u>16,823,370</u>	<u>20,566,856</u>	<u>21,101,118</u>

**19 Other income**

	2018	2019	2020
	\$	\$	\$
Government grants	438,334	477,035	2,090,413
Service fee from affiliated corporations	54,000	18,000	–
Management fee from affiliated corporations	304,000	28,000	–
Sundry income	9,531	3,622	28,372
	<u>805,865</u>	<u>526,657</u>	<u>2,118,785</u>

**20 Administrative expenses**

	2018	2019	2020
	\$	\$	\$
Employee benefits expense (see Note 23)	2,634,436	2,073,945	2,569,970
Operating lease expenses	71,974	99,533	–
Expenses relating to leases of short-term leases	–	–	119,607
Others	256,598	293,747	440,650
	<u>2,963,008</u>	<u>2,467,225</u>	<u>3,130,227</u>

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**21 Other expenses**

	2018	2019	2020
	\$	\$	\$
Depreciation of property, plant and equipment	57,943	65,792	268,676
Loss on disposal/write off of property, plant and equipment	8,316	61,185	211,283
Impairment losses on trade receivables	37,815	631	306,136
Others	8,248	36,041	13,683
	<u>112,322</u>	<u>163,649</u>	<u>799,778</u>

**22 Net finance costs**

	2018	2019	2020
	\$	\$	\$
Interest income from:			
- fixed deposits	35,257	20,388	3,699
Finance income	<u>35,257</u>	<u>20,388</u>	<u>3,699</u>
Interest expense on:			
- accretion of interest	(206)	–	–
- lease liabilities (2018: finance lease liabilities, 2019: finance lease liabilities)	(195,055)	(165,887)	(109,281)
- loans and borrowings	–	–	(22,442)
Net foreign exchange loss	(4,118)	(4,412)	–
Finance costs	<u>(199,379)</u>	<u>(170,299)</u>	<u>(131,723)</u>
Net finance costs recognised in profit or loss	<u>(164,122)</u>	<u>(149,911)</u>	<u>(128,024)</u>

**23 Profit before tax**

The following items have been included in arriving at profit before tax:

	2018	2019	2020
	\$	\$	\$
<b>Employee benefits expense</b>			
Employee benefits expense recognised in cost of sales (see Note 18)	11,544,098	14,530,274	14,115,092
Employee benefits expense recognised in administrative expenses (see Note 20)	2,634,436	2,073,945	2,569,970
	<u>14,178,534</u>	<u>16,604,219</u>	<u>16,685,062</u>
Salaries, bonuses and other costs (including directors’ remuneration)	11,634,484	13,931,728	13,760,365
Contributions to defined contribution plans	2,544,050	2,672,491	2,924,697
	<u>14,178,534</u>	<u>16,604,219</u>	<u>16,685,062</u>

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**24 Tax expense**

	2018	2019	2020
	\$	\$	\$
<b>Current tax expense</b>			
Current year	27,375	47,000	4,000
(Over)/Under provision in respect of prior years	(2,684)	(17,672)	42,987
Withholding tax	9,300	26,108	–
	<u>33,991</u>	<u>55,436</u>	<u>46,987</u>
<b>Deferred tax expense</b>			
Origination and reversal of temporary differences	83,473	192,464	20,699
(Over)/Under provision in respect of prior years	(18,341)	104,549	56,692
	<u>65,132</u>	<u>297,013</u>	<u>77,391</u>
<b>Total tax expense</b>	<u>99,123</u>	<u>352,449</u>	<u>124,378</u>
<b>Reconciliation of effective tax rate</b>			
Profit before tax	<u>565,349</u>	<u>1,603,100</u>	<u>545,997</u>
Tax calculated using the Singapore tax rate of 17% (2018: 17%, 2019: 17%)	96,109	272,527	92,819
Non-deductible expenses	19,608	11,012	36,413
Tax exempt income	(28,490)	(63,025)	(186,329)
(Over)/Under provision in respect of prior years	(21,025)	86,877	99,679
Deferred tax asset not recognised	38,630	21,559	96,361
Utilisation of deferred tax asset previously not recognised	–	–	(14,565)
Tax incentives	(8,281)	–	–
Withholding tax	9,300	26,108	–
Others	(6,728)	(2,609)	–
	<u>99,123</u>	<u>352,449</u>	<u>124,378</u>

**25 Earnings per share**

**Basic earnings per share**

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

**Profit attributable to ordinary shareholders**

	2018	2019	2020
	\$	\$	\$
Profit for the year, attributable to the owners/ ordinary shareholders of the Company	<u>466,226</u>	<u>1,250,651</u>	<u>421,619</u>

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**Weighted-average number of ordinary shares**

	<b>2018 Number of shares</b>	<b>2019 Number of shares</b>	<b>2020 Number of shares</b>
Weighted-average number of ordinary shares	90,000,000	90,000,000	90,000,000

The Company’s pre-invitation number of ordinary shares of 90,000,000 has been used in the calculation of basic earnings per share for all periods as pre-invitation number of ordinary shares reflects the weighted average number of shares for all periods adjusting the changes in the number of shares arising from the Restructuring Exercise as disclosed in Note 1.3.

**Diluted earnings per share**

As at 30 June 2017, 30 June 2018 and 30 June 2019, there were no outstanding dilutive potential ordinary shares.

## **26 Acquisition of subsidiaries**

**Acquisition of Aedge Services Pte. Ltd. and Aedge Resources Pte. Ltd.**

On 12 June 2017, the Group acquired the 100% equity interest in Aedge Services Pte. Ltd. (“Aedge Services”) from the shareholders of Aedge Holdings Pte. Ltd. at a consideration of \$250,000. The consideration was paid in cash during the year ended 30 June 2018.

On 30 June 2019, the Group acquired the 100% equity interest in Aedge Resources Pte. Ltd. (“Aedge Resources”) from the shareholders of Aedge Holdings Pte. Ltd. at a consideration of \$5.

These acquisitions are considered as an acquisition of equity interests by entities under common control, and therefore, has been accounted for in a manner similar to the pooling-of-interests. Accordingly, the assets and liabilities of Aedge Services and Aedge Resources have been included in the financial statements at their historical amounts by applying book value accounting. These financial statements presented the financial position, results of operations and cash flows as if the acquisition had occurred as of the beginning of the earliest period presented.

**Acquisition of SAE Resources and Technologies Private Limited**

On 1 July 2018, the Group acquired the 100% equity interest in SAE Resources and Technologies Private Limited at a cash consideration of \$167,427. As a result, the Group obtained control of SAE Resources and Technologies Private Limited. The acquisition was accounted for using the acquisition method.

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The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	Note	2019 \$
Property plant and equipment	4	317,280
Intangible assets	5	26,676
Cash and cash equivalents		64,332
Trade and other receivables		74,523
Contract assets		118,411
Finance lease liabilities		(56,260)
Trade and other payables		(375,394)
Deferred tax liabilities	14	(2,141)
Fair value of identifiable net assets acquired		<u>167,427</u>

The following table summarises the consideration transferred, net of cash and cash equivalents acquired:

	2019 \$
Purchase consideration	167,427
Cash acquired	(64,332)
<b>Net cash outflow</b>	<u>103,095</u>

**Measurement of fair values**

The valuation techniques used for measuring the fair value of material asset acquired was as follows:

Assets required	Valuation techniques
Property, plant and equipment	<i>Market comparison technique and cost technique:</i> The valuation model considers market prices for similar items when they are available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangible assets	<i>Multi-period excess earnings method:</i> The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cashflows related to contributory assets.

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**27 Commitments**

***Operating leases commitments***

The Group leases office premises and accommodations from external parties under operating leases. These leases typically run for a period of 1 to 3 years.

The future minimum lease payments under non-cancellable leases as at 30 June 2018 and 30 June 2019 are as follows:

	<b>2018</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Within one year	354,623	336,726
Within two to five years	193,904	44,248
	<u>548,527</u>	<u>380,974</u>

**28 Leases**

**Leases as lessee (SFRS(I) 16)**

The Group leases office and store space. The leases typically run for a period of 3 years. Previously, these leases were classified as operating leases under SFRS(I) 1-17.

The Group leases motor vehicles under a number of leases, which were classified as finance leases under SFRS(I) 1-17.

The Group leases accommodations with contract terms of one year. These leases are short-term leases and the Group has elected not to recognise right-of-use assets and lease liabilities for these leases. Some of these accommodation leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. The extension options held are exercisable only by the Group and not by the lessors. The Group assessed at lease commencement date and determined that it was not reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Information about leases for which the Group is a lessee is presented below.

**Right-of-use assets**

	<b>Motor vehicles</b>	<b>Office and store space</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2020	6,467,225	114,397	6,581,622
Depreciation charge for the year	(874,018)	(164,247)	(1,038,265)
Additions to right-of-use assets	–	438,044	438,044
Balance at 30 June 2020	<u>5,593,207</u>	<u>388,194</u>	<u>5,981,401</u>

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**Amounts recognised in profit or loss**

	\$
<b>2020 – Leases under SFRS(I) 16</b>	
Expenses relating to short term lease	659,100
Interest expense on lease liabilities	<u>109,281</u>
<b>2019 – Operating leases and finance leases under FRS 17</b>	
Interest expense on finance lease liabilities	165,887
Operating lease expenses	<u>470,804</u>

**Amounts recognised in statement of cash flows**

	<b>2020</b>
	\$
Payment of lease liabilities	<u><u>2,566,499</u></u>

## 29 Operating segments

The Group has the following three strategic divisions, which are its reportable segments. These divisions offer different services, and are managed separately. The Group’s Chief Executive Officer (the chief operating decision maker) reviews internal management reports of each division at least quarterly. The following summary describes the operations in each of the Group’s reportable segments:

- Engineering services

Provision and installation of scaffolding solutions, insulation and passive fire protection systems, HVAC and refrigeration systems, and electrical systems. Provision of workers on contract or ad-hoc basis.

- Transportation services

Provision of bus services for public premium service routes, schools, corporates and ad hoc charters.

- Security and manpower services

Provision of security services, cleaning services, manpower staffing for aviation technicians

- Others

Others relate to unallocated amounts that includes provision of management, treasury and administrative services.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (loss) before tax, as included in the internal management reports that are reviewed by the Group’s CEO. Segment profit (loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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**Information about reportable segments**

	Engineering services \$	Transportation services \$	Security and manpower services \$	Total for reportable segments \$	Others \$	Inter-segment eliminations \$	Total \$
<b>Period ending 30 June 2018</b>							
External revenues	3,043,685	7,750,025	9,113,330	19,907,040	-	-	19,907,040
Inter-segment revenue	1,288,142	109,327	1,165,815	2,563,284	-	(2,563,284)	-
External cost of sales	(2,461,060)	(5,724,884)	(8,637,426)	(16,823,370)	-	-	(16,823,370)
Inter-segment cost of sales	(1,292,197)	(908,529)	(299,608)	(2,500,334)	-	2,500,334	-
Finance income	28,567	6,553	137	35,257	-	-	35,257
Finance costs	(11,613)	(187,766)	-	(199,379)	-	-	(199,379)
Depreciation of property, plant and equipment	(68,194)	(1,459,967)	(25,096)	(1,553,257)	-	-	(1,553,257)
Reportable segment profit before tax	221,028	434,424	394,714	1,050,166	778,513	(1,263,330)	565,349
Other material non-cash items:							
- Loss on disposal/write-off of property, plant and equipment	(520)	(7,796)	-	(8,316)	-	-	(8,316)
- Impairment loss on receivables	(2,270)	(35,545)	-	(37,815)	-	-	(37,815)
Capital expenditure	5,914	306,977	11,262	324,153	-	-	324,153
<b>As at 30 June 2018</b>							
Reportable segment assets	8,537,855	16,061,886	3,702,205	28,301,946	2,500,000	(4,166,704)	26,635,242
Reportable segment liabilities	931,651	8,875,374	1,352,214	11,159,239	55,299	(1,653,199)	9,561,339

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	Engineering services \$	Transportation services \$	Security and manpower services \$	Total for reportable segments \$	Others \$	Inter-segment eliminations \$	Total \$
<b>Period ending 30 June 2019</b>							
External revenues	5,041,809	7,489,775	12,008,002	24,539,586	–	–	24,539,586
Inter-segment revenue	878,407	112,528	67,000	1,057,935	–	(1,057,935)	–
External cost of sales	(3,272,984)	(6,518,145)	(10,775,727)	(20,566,856)	–	–	(20,566,856)
Inter-segment cost of sales	(877,903)	(30,940)	(9,106)	(917,949)	–	917,949	–
Finance income	20,240	11	137	20,388	–	–	20,388
Finance costs	(15,375)	(154,924)	–	(170,299)	–	–	(170,299)
Depreciation of property, plant and equipment and amortisation of intangible assets	(132,566)	(1,611,528)	(24,610)	(1,768,704)	–	–	(1,768,704)
Reportable segment profit before tax	1,087,873	178,177	755,024	2,021,074	1,453,793	(1,871,767)	1,603,100
Other material non-cash items:							
- Loss on disposal of property, plant and equipment	(60,930)	–	(255)	(61,185)	–	–	(61,185)
- Impairment loss on trade receivables	–	–	(631)	(631)	–	–	(631)
Capital expenditure	2,111,669	105,829	1,168	2,218,666	–	–	2,218,666
<b>As at 30 June 2019</b>							
Reportable segment assets	6,177,488	14,714,223	4,172,314	25,064,025	3,049,679	(3,608,511)	24,505,193
Reportable segment liabilities	1,492,517	5,986,362	1,404,214	8,883,093	197,163	(899,617)	8,180,639

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	Engineering services \$	Transportation services \$	Security and manpower services \$	Total for reportable segments \$	Others \$	Inter-segment eliminations \$	Total \$
<b>Period ending 30 June 2020</b>							
External revenues	5,905,374	6,018,143	11,761,367	23,684,884	-	-	23,684,884
Inter-segment revenue	448,976	103,000	-	551,976	-	(551,976)	-
External cost of sales	(4,724,934)	(5,865,603)	(10,510,581)	(21,101,118)	-	-	(21,101,118)
Inter-segment cost of sales	(441,568)	(3,137)	(2,808)	(447,513)	-	447,513	-
Finance income	151	2,867	681	3,699	-	-	3,699
Finance costs	(17,580)	(91,701)	(22,442)	(131,723)	-	-	(131,723)
Depreciation of property, plant and equipment and amortisation of intangible assets	(473,826)	(1,637,637)	(29,745)	(2,141,208)	-	-	(2,141,208)
Reportable segment profit before tax	(127,493)	(201,737)	1,670,295	1,341,065	1,410,206	(2,205,274)	545,997
Other material non-cash items:							
- Loss on disposal of property, plant and equipment	(191,945)	(17,178)	(2,160)	(211,283)	-	-	(211,283)
- Impairment loss on trade receivables	(1,315)	(30,821)	-	(32,136)	-	-	(32,136)
Capital expenditure	526,715	59,725	45,687	632,127	-	-	632,127
<b>As at 30 June 2020</b>							
Reportable segment assets	6,299,784	11,074,833	8,888,839	26,263,456	15,225,999	(15,145,713)	26,343,742
Reportable segment liabilities	2,382,140	3,284,452	4,933,105	10,599,697	2,131,159	(1,133,287)	11,597,569

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**Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items to SFRS(l) measures**

	2018 \$	2019 \$	2020 \$
<b>Revenues</b>			
Total revenue for reportable segments	22,470,324	25,597,521	24,236,860
Elimination of inter-segment revenue	(2,563,284)	(1,057,935)	(551,976)
Consolidated revenue	<u>19,907,040</u>	<u>24,539,586</u>	<u>23,684,884</u>
<b>Cost of sales</b>			
Total cost of sales for reportable segments	19,323,704	21,484,805	21,548,630
Elimination of inter-segment cost of sales	(2,500,334)	(917,949)	(447,512)
Consolidated cost of sales	<u>16,823,370</u>	<u>20,566,856</u>	<u>21,101,118</u>
<b>Profit or loss before tax</b>			
Total profit or loss before tax for reportable segments	1,050,166	2,021,074	1,341,065
Elimination of inter-segment profits	(1,263,330)	(1,871,767)	(2,205,274)
Unallocated amounts	778,513	1,453,793	1,410,206
Consolidated profit before tax from continuing operations	<u>565,349</u>	<u>1,603,100</u>	<u>545,997</u>
<b>Assets</b>			
Total assets for reportable segments	28,301,946	25,064,025	26,263,456
Elimination of inter-segment assets	(4,166,704)	(3,608,511)	(15,145,713)
Other unallocated amounts	2,500,000	3,049,679	15,225,999
Consolidated total assets	<u>26,635,242</u>	<u>24,505,193</u>	<u>26,343,742</u>
<b>Liabilities</b>			
Total liabilities for reportable segments	11,159,239	8,883,093	10,599,697
Elimination of inter-segment liabilities	(1,653,199)	(899,617)	(1,133,287)
Other unallocated amounts	55,299	197,163	2,131,159
Consolidated total liabilities	<u>9,561,339</u>	<u>8,180,639</u>	<u>11,597,569</u>

**Geographical information**

The engineering business, transportation business and security and manpower business are managed in Singapore.

**Major customers**

Revenues from two (2018: one, 2019: one) customer of the Group’s security and manpower business segment represents approximately \$6,057,396 (2018: \$4,300,000, 2019: \$6,200,000) of the Group’s total revenues.

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**30 Related parties**

***Key management personnel compensation***

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors of the Group are considered as key management personnel of the Group.

Key management personnel compensation comprises:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Directors’ fees	–	72,000	–
Short-term benefits	440,850	564,200	717,200
Post-employment benefits (including contribution to defined contribution plan)	41,551	53,932	68,628
	<u>41,551</u>	<u>53,932</u>	<u>68,628</u>

***Other related party transactions***

Other than those disclosed elsewhere in the combined financial statements, the significant transactions carried out by the Group with related parties based on terms agreed between the parties are as follows:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Affiliated corporations</b>			
Sales	(377,750)	(137,737)	(261,348)
Purchases	230,452	1,354,403	–
Expenses recharged	91,962	18,000	–
	<u>91,962</u>	<u>18,000</u>	<u>–</u>

**31 Financial instruments**

**Overview**

The Group has exposure to the following risks from its financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk.

**Risk management framework**

Management continually monitors the Group’s risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities.

The Board of Directors oversees how management monitors compliance with the Group’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

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**Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers and related parties.

The carrying amounts of financial assets and contract assets represent the Group’s maximum exposures to credit risk.

**Trade receivables and contract assets**

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group’s standard payment and delivery terms and conditions are offered. The Group also performs credit evaluation of the existing customers by taking into account past experience with the customers.

**Expected credit loss assessment for customers**

The Group uses an allowance matrix to measure the ECLs of trade receivables from customers.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for customers:

	<b>Gross carrying amount \$</b>	<b>Impairment loss allowance \$</b>	<b>Credit impaired</b>
<b>30 June 2018</b>			
Current (not past due)	3,596,545	–	No
1-30 days past due	1,111,613	–	No
31-90 days past due	471,063	–	No
More than 90 days past due	1,509,457	–	No
More than 90 days past due	20,087	(20,087)	Yes
	<u>6,708,765</u>	<u>(20,087)</u>	
<b>30 June 2019</b>			
Current (not past due)	4,893,171	–	No
1-30 days past due	964,151	–	No
31-90 days past due	500,618	–	No
More than 90 days past due	602,275	–	No
More than 90 days past due	20,087	(20,087)	Yes
	<u>6,980,302</u>	<u>(20,087)</u>	

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	Gross carrying amount \$	Impairment loss allowance \$	Credit impaired
<b>30 June 2020</b>			
Current (not past due)	2,991,969	–	No
Current (not past due)	2,459	(2,459)	Yes
1-30 days past due	996,450	–	No
1-30 days past due	29,165	(29,165)	Yes
31-90 days past due	1,371,252	–	No
31-90 days past due	166,667	(166,667)	Yes
More than 90 days past due	1,052,704	–	No
More than 90 days past due	75,709	(75,709)	Yes
	<u>6,686,375</u>	<u>(274,000)</u>	

Loss rates are estimated based on actual credit loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the year over which the historic data has been collected, current conditions and the Group’s view of economic conditions over the expected lives of the receivables. The amount of ECLs on non-credit impaired trade receivables was negligible, and ECLs was recognised for credit impaired trade receivables.

**Movements in allowance for impairment in respect of trade receivables and contract asset**

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	Lifetime ECL \$
At 1 July 2017	–
Impairment loss recognised	37,815
Amounts written off	(17,728)
At 30 June 2018	<u>20,087</u>
Impairment loss recognised	631
Amounts written off	(631)
At 30 June 2019	<u>20,087</u>
Impairment loss recognised	306,136
Amounts written off	(52,223)
At 30 June 2020	<u>274,000</u>

**Cash and cash equivalents**

The Group held cash and cash equivalents and fixed deposits of \$6,487,685, \$3,974,261 and \$5,773,665 at 30 June 2018, 30 June 2019 and 30 June 2020. The cash and cash equivalents and fixed deposits are held with bank and financial institution counterparties, with sound credit ratings.

Impairment on cash and cash equivalents and fixed deposits has been measured on the 12-month expected loss basis. The Group considers its cash and cash equivalents and fixed deposits have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents and fixed deposits was negligible.

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***Non-trade receivables, accrued receivables and deposits***

The Group held non-trade receivables, accrued receivables and deposits amounting to \$1,163,384, \$176,514 and \$867,663 at 30 June 2018, 30 June 2019 and 30 June 2020 respectively. Impairment on these amounts has been measured on the 12-month expected loss basis, which reflects the low credit risk of the exposures. The amount of the allowance on non-trade receivables and deposits was negligible.

**Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

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

In addition, the Group maintains the following lines of credit:

- \$200,000 overdraft facility that is secured by guarantees from a subsidiary and two shareholders of the ultimate holding company. Interest would be payable at the bank’s prime rate per annum.
- \$1.5 million term loan facility with a tenor of five years that is secured by guarantees from two shareholders of the ultimate holding company, which can be drawn down to meet working capital requirements. Interest would be payable at the rate of 2.5% per annum.

The table below summarises the Group’s remaining contractual maturities of financial liabilities, including interest payments.

	<b>Carrying amount \$</b>	<b>Contractual cash flows \$</b>	<b>Within 1 year \$</b>	<b>Within 2-5 years \$</b>
<b>30 June 2018</b>				
Trade and other payables*	1,197,260	1,197,260	1,197,260	–
Finance lease liabilities	6,589,656	6,885,603	2,575,224	4,310,379
	<u>7,786,916</u>	<u>8,082,863</u>	<u>3,772,484</u>	<u>4,310,379</u>
<b>30 June 2019</b>				
Trade and other payables*	1,746,541	1,746,541	1,746,541	–
Finance lease liabilities	4,486,292	4,655,306	2,372,273	2,283,033
	<u>6,232,833</u>	<u>6,401,847</u>	<u>4,118,814</u>	<u>2,283,033</u>
<b>30 June 2020</b>				
Trade and other payables*	2,972,506	2,972,506	2,972,506	–
Loans and borrowings	3,566,729	3,671,482	3,671,482	–
Lease liabilities	2,603,957	2,695,730	1,480,851	1,214,879
	<u>9,143,192</u>	<u>9,339,718</u>	<u>8,124,839</u>	<u>1,214,879</u>

\* Excludes output tax, accrued salaries and wages and deferred grant income

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**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Interest rate risk**

*Exposure to interest rate risk*

The Group is not exposed to interest rate risk as the Group’s interest-bearing financial instruments bear fixed interest rates.

At the reporting date, the interest rate profile of the Group’s interest-bearing financial instruments, as reported to the management, was as follows:

	<b>Nominal amount</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Fixed rate instruments</b>			
Fixed deposits	3,288,730	254,537	257,397
Loans and borrowings	–	–	(3,001,233)
Lease liabilities (2018: Finance lease liabilities, 2019: Finance lease liabilities)	(6,589,656)	(4,486,292)	(2,603,957)
	<u>(3,300,926)</u>	<u>(4,231,755)</u>	<u>(5,347,793)</u>
<b>Variable rate instruments</b>			
Loans and borrowings	–	–	<u>(565,496)</u>

*Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting dates would not affect profit or loss.

*Cashflow sensitivity analysis for variable rate instruments*

For variable rate financial assets and liabilities, a change in 100 bp in interest rate at the reporting date would increase/(decrease) profit or loss (before any tax effects) by the amounts shown below. There is no impact on equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	<b>100 bp increase \$</b>	<b>100 bp decrease \$</b>
<b>2020</b>		
Loan and borrowings	<u>(56,550)</u>	<u>56,550</u>

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**Foreign currency risk**

The Group is exposed to foreign currency risk from cash and cash equivalents that are denominated in a currency other than Singapore dollar (“SGD”). The currency giving rise to this risk is primarily the United States dollar (“USD”). The Group does not hedge this risk.

The Group’s exposure to foreign currencies are as follows:

	<b>2018 USD \$</b>	<b>2019 USD \$</b>	<b>2020 USD \$</b>
Cash and cash equivalents	427,458	–	–

*Sensitivity analysis*

A 10% strengthening of US dollar against the following currencies at the reporting date would increase/(decrease) profit or loss before any tax effects by the amounts shown below. There is no impact on equity. This analysis assumes that all other variables, in particular interest rates, remain constant.

	<b>Profit or loss US\$</b>
<b>30 June 2018</b>	
USD	42,746

A 10% weakening of US dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

**Accounting classifications and fair values**

*Fair value versus carrying amounts*

The carrying amounts and fair values of financial assets and financial liabilities are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	<b>Note</b>	<b>Amortised cost \$</b>	<b>Other financial liabilities \$</b>	<b>Carrying amount \$</b>
<b>30 June 2018</b>				
<b>Financial assets not measured at fair value</b>				
Trade and other receivables*	8	5,985,650	–	5,985,650
Fixed deposits and cash and cash equivalents	6	6,487,685	–	6,487,685
		<u>12,473,335</u>	<u>–</u>	<u>12,473,335</u>
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables**	16	–	(1,197,260)	(1,197,260)
Finance lease liabilities	12	–	(6,589,656)	(6,589,656)
		<u>–</u>	<u>(7,786,916)</u>	<u>(7,786,916)</u>

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	Note	Amortised cost \$	Other financial liabilities \$	Carrying amount \$
<b>30 June 2019</b>				
<b>Financial assets not measured at fair value</b>				
Trade and other receivables*	8	5,129,912	–	5,129,912
Fixed deposits and cash and cash equivalents	6	3,974,261	–	3,974,261
		<u>9,104,173</u>	<u>–</u>	<u>9,104,173</u>
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables**	16	–	(1,746,541)	(1,746,541)
Finance lease liabilities	12	–	(4,486,292)	(4,486,292)
		<u>–</u>	<u>(6,232,833)</u>	<u>(6,232,833)</u>
<b>30 June 2020</b>				
<b>Financial assets not measured at fair value</b>				
Trade and other receivables*	8	6,800,998	–	6,800,998
Fixed deposits and cash and cash equivalents	6	5,773,665	–	5,773,665
		<u>12,574,663</u>	<u>–</u>	<u>12,574,663</u>
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables**	16	–	(2,972,506)	(2,972,506)
Loans and borrowings	13	–	(3,566,729)	(3,566,729)
Lease liabilities	12	–	(2,603,957)	(2,603,957)
		<u>–</u>	<u>(9,143,192)</u>	<u>(9,143,192)</u>

\* Excludes prepayments

\*\* Excludes output tax, accrued salaries and wages and deferred grant income

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### 32 Subsidiaries

As at 30 June 2018, 30 June 2019 and 30 June 2020, the subsidiaries of the Group are as follows:

Name of subsidiary	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest held by the Group		
			2018 %	2019 %	2020 %
Aedge Holdings Pte Ltd	Provision of transport and cleaning services	Singapore	100	100	100
Aedge Technologies Pte Ltd	Provision of engineering services	Singapore	100	100	100
Aedge Services Pte. Ltd.	Provision of security and manpower services	Singapore	100	100	100
<u>Subsidiary of Aedge Technologies Pte Ltd</u>					
SAE Resources and Technologies Pte Ltd	Provision of engineering services	Singapore	–	100	100
<u>Subsidiary of Aedge Services Pte Ltd</u>					
Aedge Resources Pte. Ltd.	Provision of manpower services	Singapore	100	100	100

### 33 Change in accounting policy

The Group applied SFRS(I) 16 *Leases* for the first time for the annual period beginning on 1 July 2019.

The Group applied SFRS(I) 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised at 1 July 2019. Accordingly, the comparative information presented for 2018 and 2019 are not restated – i.e. it is presented, as previously reported, SFRS(I) 1-17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in SFRS(I) 16 have not generally been applied to comparative information.

#### Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in SFRS(I) 16.

On transition to SFRS(I) 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied SFRS(I) 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed for whether there is a lease under SFRS(I) 16. Therefore, the definition of a lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 July 2019.

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**APPENDIX A – INDEPENDENT ACCOUNTANTS’ REPORT AND THE AUDITED  
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***As a lessee***

As a lessee, the Group leases several assets including office premises and accommodations. The Group previously classified leases as operating leases or finance leases based on its assessment of whether the lease transferred significantly all of the risk and rewards incidental to ownership of the underlying asset to the Group. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property, the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

*Leases classified as operating leases under SFRS(I) 1-17*

Previously, the Group classified leases of office and store space as operating leases under SFRS(I) 1-17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group’s incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying SFRS(I) 16 to leases previously classified as operating leases under SFRS(I) 1-17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

*Leases classified as finance leases under SFRS(I) 1-17*

The Group leases a number of motor vehicles. These leases were classified as finance leases under SFRS(I) 1-17. For these finance leases, the carrying amount of the right-of use asset and the lease liability at 1 July 2019 were determined at the carrying amount of the lease asset and lease liability under SFRS(I) 1-17 immediately before that date.

**Impact on financial statements on transition**

On transition to SFRS(I) 16, the Group recognised right-of-use assets and lease liabilities. The impact on transition is summarised below.

	<b>1 July 2019</b>
	<b>\$</b>
Property, plant and equipment	114,397
Lease liabilities	<u>(114,397)</u>

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As at 30 June 2019, motor vehicles included carrying amounts of \$6,467,225 where the Group was a lessee under finance leases. From 1 July 2019, these motor vehicles were reclassified to right-of-use assets in the process of adopting the new leasing standard. The right-of-use assets presented as property, plant and equipment as at 1 July 2019 are as follows:

	Office and store space \$	Motor vehicles \$	Total \$
Carrying amount of finance leases	–	6,467,225	6,467,225
Additional right-of-use assets – property, plant and equipment	114,397	–	114,397
Balance at 1 July 2019	<u>114,397</u>	<u>6,467,225</u>	<u>6,581,622</u>

For the impact of SFRS(I) 16 on profit or loss for the period, see Note 28. For the details of accounting policies under SFRS(I) 16 and SFRS(I) 1-17, see Note 3.7.

When measuring lease liabilities for leases that were classified as operating leases, the Group’s discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 5.0%.

	1 July 2019 \$
Operating lease commitments at 30 June 2019 as disclosed in the Group’s combined financial statements	<u>380,974</u>
Discounted using the incremental borrowing rate at 1 July 2019	377,380
Finance lease liabilities recognised as at 30 June 2019	4,486,292
Recognition exemption for leases with less than 12 months of lease term as at transition	<u>(262,983)</u>
Lease liabilities recognised at 1 July 2019	<u><u>4,600,689</u></u>

## **34 Subsequent events**

On 11 March 2020, the World Health Organisation declared novel coronavirus (COVID-19) as a pandemic in recognition of its rapid spread across the globe. The spread of COVID-19 has created a high level of uncertainty to the near-term global economic prospects. The outbreak of COVID-19 and any related impact are considered non-adjusting events, with no financial impact on the recognition and measurement of assets and liabilities as at 31 December 2018 and 2019.

On 17 August 2020, the Company paid dividends amounting to \$2,000,000 which was declared on 30 June 2020 to its shareholders.

On 25 September 2020, a subsidiary of the Group drawn down term loan facilities amounting to \$1,500,000. The term loan accrues interest at a rate of 2.5% per annum and has a tenor of 5 years.

On 13 November 2020, the preliminary offer document of the Company was lodged with the Singapore Exchange Securities Trading Limited acting as on behalf of the Monetary Authority of Singapore.

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## APPENDIX B – SUMMARY OF RELEVANT LAWS AND REGULATIONS

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Save as disclosed below, as at the Latest Practicable Date, our business and operations are not subject to any specific legislation or regulatory controls other than those generally applicable to companies and businesses incorporated and/or operating in Singapore.

As at the Latest Practicable Date, to the best of our Directors' knowledge, our Group is in compliance with all applicable law and regulations that are material to our business operations.

The following is a summary of the main laws and regulations of Singapore that are material to our business as at the Latest Practicable Date.

### (A) GENERAL

#### **Personal Data Protection Act 2012**

Pursuant to our business and operations, particularly our security and manpower services, our Group has access to, and stores personal data belonging to individuals. The PDPA governs the collection, use and disclosure of individuals' personal data by organisations.

An organisation is required to comply with, among others, the following obligations prescribed by the PDPA:

- (a) an organisation must obtain the consent of the individual before collecting, using or disclosing his personal data, for purposes that a reasonable person would consider appropriate in the circumstances, and fresh consent must be obtained if the individual's personal data is to be used for a different purpose;
- (b) an organisation must notify the individual of the purposes of collecting, using or disclosing his personal data and use it only for purposes consented to by him, and must put in place mechanisms for individuals to withdraw their consent;
- (c) an organisation must take reasonable efforts to ensure that personal data collected is accurate and complete if the personal data is likely to be used to make a decision that affects the individual, or is likely to be disclosed to another organisation, and must correct any error or omission thereof when requested unless there are reasonable grounds to refuse to do so;
- (d) on request, an organisation must provide an individual with his personal data in its possession and control, as well as information about the ways in which it was used or disclosed in the past year;
- (e) an organisation must protect personal data by making reasonable security arrangements to prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks;
- (f) an organisation must cease to retain personal data as long as it is reasonable to assume that the purpose for which it was collected is no longer being served by retaining it, and retention is no longer necessary for business or legal purposes;
- (g) an organisation must not transfer any personal data out of Singapore except in accordance with the requirements of the PDPA; and
- (h) an organisation must implement policies and practices in order to meet its obligations under the PDPA and make information about the same available on request.

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The Personal Data Protection Commission is empowered to issue remedial directions to organisations determined to be in non-compliance with the PDPA, including directions requiring the organisation to:

- (a) stop collecting, using or disclosing personal data in contravention of the PDPA;
- (b) destroy personal data collected in contravention of the PDPA;
- (c) provide access to or correct personal data; and/or
- (d) pay a financial penalty of up to S\$1.0 million.

As at the Latest Practicable Date, our Group has not been found to be in contravention of the PDPA.

### **Employment Act**

The EA is the main legislation governing employment in Singapore. The EA covers every employee who is under a contract of service with an employer and includes a workman but does not include, *inter alia*, any person employed as a seafarer or domestic worker.

Part IV of the EA contains provisions relating to, *inter alia*, working hours, overtime, rest days, payment of retrenchment benefit, priority of retirement benefit, annual wage supplement and other conditions of work or service, which apply to (i) workmen earning basic monthly salaries of not more than S\$4,500; and (ii) employees (excluding workmen and persons employed in managerial or executive positions) earning basic monthly salaries of not more than S\$2,600.

The EA defines a “workman” as including (i) any person, skilled or unskilled, who has entered into a contract of service with an employer in pursuance of which he is engaged in manual labour, including any artisan or apprentice (but excluding any seafarer or domestic worker); and (ii) any person employed partly for manual labour and partly for the purpose of supervising in person any workman in and throughout the performance of his work.

Part X of the EA contains provisions relating to paid public holidays, annual leave and sick leave which apply to all employees who are covered by the EA regardless of salary levels.

Following the amendments to the EA in effect from 1 April 2016, all employers must issue key employment terms (“**KETs**”) in writing to employees covered under the EA.

Such employees include employees who (i) enter into a contract of service with the company on or after 1 April 2016; (ii) are covered by the EA; and (iii) are employed for a continuous period of 14 days or more in relation to the length of contract.

KETs include, *inter alia*, full names of employer and employee, job title, main duties and responsibilities, start date of employment, duration of employment (if employee is on a fixed-term contract), daily working hours, number of working days per week and rest days, basic salary, fixed allowances, fixed deductions, overtime pay, leave, medical benefits, probation period and notice period. KETs which are not applicable to specific employees may be excluded from their contracts.

### **Work Injury Compensation Act 2019 of Singapore (No. 27 of 2019) (“WICA”) and Work Injury Compensation Regulations 2020**

The WICA, which is regulated by the MOM, applies to all employees (with the exception of those set out in the Third Schedule of the WICA) in respect of injury suffered by them in the course of their employment and sets out, among others, the amount of compensation they are entitled to and the method(s) of calculating such compensation.

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## APPENDIX B – SUMMARY OF RELEVANT LAWS AND REGULATIONS

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Employers are required to maintain work injury compensation insurance for two (2) categories of employees engaged under contracts of service (unless exempted) – firstly, all employees doing manual work and secondly, non-manual employees earning a basic salary of S\$2,100 or less a month. The salary threshold for non-manual employees will be raised to S\$2,600, effective from 1 April 2021.

All employers are required to purchase insurance for both local and foreign employees. Failure to provide adequate insurance is an offence carrying a fine of up to \$10,000 or jail of up to 12 months, or both. A repeat offender shall be liable on conviction to a fine of up to \$20,000 or jail of up to 12 months, or both.

For other employees, the employer has the flexibility to decide whether to buy insurance for them. However, if those employees make a valid claim, the employer will have to compensate them regardless of whether they are insured.

### (B) RELATING TO ENGINEERING SERVICES

#### **Workplace Safety and Health Act (Chapter 354A) of Singapore (“WSHA”)**

The WSHA which came into effect on 1 March 2006 regulates the management of workplace safety and health by requiring stakeholders to take reasonably practicable measures to ensure the safety and health of workers and other people that are affected by the work being carried out. WSHA is administered by the Occupational Safety and Health Division of the MOM. It repealed the Factories Act (Chapter 204) (the “**Factories Act**”) and the regulations made under the Factories Act have also been transferred to the WSHA.

In addition to the above, under the WSHA, inspectors appointed by the Commissioner for Workplace Safety and Health (“**CWSH**”) may, among others, inspect and examine any workplace and any machinery, equipment, plant, installation or article at any workplace, to make such examination and inquiry as may be necessary to ascertain whether the provisions of the WSHA are complied with, to take samples of any material or substance found in the workplace or being discharged from any workplace for the purpose of analysis or test, to assess the levels of noise, illumination, heat or harmful or hazardous substances in any workplace and the exposure levels of persons at work therein and to take into custody any article in the workplace which is required for the purpose of an investigation or inquiry under the WSHA.

#### *Remedial or Stop-Work Order*

Under the WSHA, the CWSH may serve a remedial or a stop-work order in respect of a workplace if he is satisfied that:

- the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any process or work carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of the persons at work;
- any person has contravened any duty imposed by the WSHA; or
- any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of the persons at work.

A remedial order shall direct the person served with the order to take such measures, to the satisfaction of the CWSH, to remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work, to comply with any duty imposed under the WSHA, or to refrain from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of the persons at work.

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## APPENDIX B – SUMMARY OF RELEVANT LAWS AND REGULATIONS

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A stop-work order shall direct the person served with the order to immediately cease to carry on any work or process indefinitely or until such measures as are required by the CWSH have been taken to remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

As at the Latest Practicable Date, the CWSH has not served any remedial or stop-work order on our Group.

(a) Workplace Safety and Health (Registration of Factories) Regulations 2008

Any workplace which falls under a definition of a factory under this regulation, depending on the risk level of the activities performed, must either notify or register the premises with the MOM.

Applications to notify or register are made to the CWSH. As at the Latest Practicable Date, we are required to and have notified the CWSH for our factory at The Index, Unit 01-53, 110 Tuas South Avenue 3 Singapore 637369.

(b) Workplace Safety and Health (Scaffolds) Regulations 2011 (“SR”)

Under this Regulation, only approved scaffold contractors are allowed to construct, erect, install, re-position, alter, maintain, repair or dismantle certain scaffolds. The SR sets out the requirements for scaffolding service providers and certain precautions to be undertaken in connection with the erection, installation, use or dismantling of scaffolds.

We observe strict compliance with the requirements of the SR, such as:-

- (i) All our scaffolding crew, including our scaffold supervisors, have undergone a course of training approved by the MOM.
- (ii) Erection, installation, re-positioning, alteration and dismantling of scaffolds exceeding 4m are done under the immediate supervision of a scaffold supervisor.
- (iii) Scaffolds exceeding 30m are examined after installation and certified by a professional engineer to be safe for use.
- (iv) All scaffolds are inspected by a scaffold supervisor seven (7) days preceding their use.
- (v) A notice or label indicating whether the scaffold is safe for use is displayed.

Any scaffold contractor who wishes to erect scaffolds that exceed 4m in a factory must first obtain written approval to be an “Approved Scaffold Contractor” from the CWSH. Since 2008, we are certified by MOM as an Approved Scaffold Contractor authorised to carry out the erection, alteration and dismantling of metal scaffolds.

(c) In accordance with Section 40B(3) of the WSHA, the Workplace Safety and Health Council has approved Codes of Practice for providing practical guidance on safety, health and welfare to the industry. The Approved Codes of Practice is intended to be used as a yardstick to assess whether reasonable practicable measures have been taken to upkeep safety and health standards at the workplace.

To ensure strict compliance with the approved Codes of Practice, we conduct routine checks on our inventory to ensure that they meet the requirements of the relevant Codes of Practice, which includes:

- (i) CP14: 1996 Code of Practice for scaffolds;
- (ii) SS280: Specification for metal scaffoldings;

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## APPENDIX B – SUMMARY OF RELEVANT LAWS AND REGULATIONS

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- (iii) SS311: Specification for steel tubes and fittings used in tubular scaffolding;
- (iv) Code of Practice for Working Safely at Heights; and
- (v) Code of Practice on WSH Risk Management.

### (C) RELATING TO TRANSPORT SERVICES

#### Road Traffic Act (Chapter 276) of Singapore (“RTA”)

The RTA is for the regulation of road traffic and the use of vehicles and the user of roads and for other purposes connected therewith, and to deter irresponsible driving behaviour.

#### Vocational Licences

Under the RTA, no person shall:

- (a) drive or act as a conductor of a public service vehicle on a road unless he holds a vocational licence granted by the Registrar of Vehicles under Part V of the RTA for such purposes; or
- (b) employ or permit any person who is not so licensed to drive or act as a conductor of a public service vehicle.

The Registrar of Vehicles may suspend or revoke, in whole or in part, a vocational licence on the ground that the holder of the licence:

- (a) is contravening or not complying with, or has contravened or failed to comply with, any of the conditions of the licence, or any provision of the RTA or rules under Part V of the RTA applicable to the holder of the licence as such; or
- (b) is not a fit or proper person to hold the licence because of his conduct, after taking into consideration the total number of demerit points accumulated by the holder of the licence under those rules in respect of the licence or another licence, or his physical condition.

All our drivers hold a valid Bus Driver’s Vocational Licence.

#### Speed Limit

The RTA limits the speed of all motor vehicles travelling along Singapore roads to 50km/h, unless otherwise stated. LTA determines the speed limits, while Traffic Police enforces action against speed limit offenders. All our drivers are trained to drive within the designated speed limits.

#### Road Traffic Offences

Road traffic offences in Singapore are governed by the RTA. Under Section 42 of the RTA, the Court is empowered to disqualify an offender from holding or obtaining a driving licence for life or for such period as the Court deems fit, except where otherwise expressly provided in the RTA.

Where an offender is disqualified from driving for a period of less than one (1) year, his licence will be suspended. Where the disqualification period is for one (1) year or longer, the offender shall not drive a motor vehicle after the period of disqualification unless he re-takes and passes the prescribed test of competence to drive.

#### Parking Places Act (Chapter 214) of Singapore (Amendment Act 2018) (“PPA”)

The PPA regulates parking places and addresses indiscriminate vehicle parking in public places because of vehicle sharing. Under this Act, any bus with a seating capacity of more than 15 persons, not inclusive of the driver, is considered a heavy vehicle. All our buses are provided with parking places and our bus drivers are told not to park illegally at any time.

As at the Latest Practicable Date, we are in compliance with the PPA.

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## APPENDIX B – SUMMARY OF RELEVANT LAWS AND REGULATIONS

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### (D) RELATING TO SECURITY, CLEANING AND MANPOWER SERVICES

#### (i) Security

##### **Private Security Industry Act (Chapter 250A) of Singapore (“PSIA”)**

The PSIA provides for the regulation of private investigators, private investigation agencies, security officers, security agencies and security service providers, and for matters connected therewith. A person shall not carry out for reward any function of a private investigator or a security officer, advertise or in any way hold out that the person carries out for reward, or is willing to carry out for reward, any function of a private investigator or a security officer without a private investigator or security officer’s licence granted under the PSIA.

A licence under the PSIA may be granted by the licensing officer subject to such conditions as he thinks fit to impose. The licensing officer may add to, vary or revoke any imposed condition of a licence by giving notice to the licensee concerned. A licensee who fails to comply with any licence condition shall be guilty of an offence.

##### **Security Agency Licence**

Under Section 15 of the PSIA, a security agency must obtain a licence from the PLRD to supply the services of security officers. Pursuant to the Licensing Criteria for Security Agency issued by the PLRD, the applicant must fulfil the following criteria to be granted a licence:

- (a) the security agency must have at least two (2) or more directors or partners;
- (b) all directors/partners must be fit and proper persons;
- (c) the first director/partner must (i) be a Singapore citizen or permanent resident of Singapore; (ii) possess a minimum of two (2) years’ experience in security-related work or business holding a management position; and (iii) unless exempted by the licensing officer, be certified competent in the WSQ modules:
  - i. Manage Security Agency within Legal Framework;
  - ii. Manage Security Operations; and
  - iii. Manage Security Emergencies;
- (d) the second director/partner must (i) be a Singapore citizen or permanent resident of Singapore, or foreigner with a valid S Pass or Employment Pass issued by the MOM; (ii) possess a minimum of two (2) years’ experience in security-related work or business holding a management position; and (iii) unless exempted by the licensing officer, be certified competent in the WSQ module entitled “Manage Security Agency within Legal Framework”;
- (e) the remaining director/partner(s), if any, must (i) possess a minimum of two (2) years’ experience in security-related work or business holding a management position; and (ii) certified competent in the “Manage Security Agency within Legal Framework” WSQ module;
- (f) the security agency must have at least an initial paid-up capital of S\$300,000;
- (g) the security agency must have a physical office; and
- (h) in the case of existing security agencies, the security agency must be certified with a minimum of bizSAFE Level 3 for annual licence renewal (with effect from 1 January 2021).

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## APPENDIX B – SUMMARY OF RELEVANT LAWS AND REGULATIONS

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In addition, a director/partner who is not a Singapore citizen or permanent resident of Singapore shall submit a Certificate of Non-Criminal Conviction from their country of origin.

Any uniform, badge, emblem, two-way radio communication equipment, handcuffs, truncheon, mechanical or electronic device or other equipment must be approved by the licensing officer before it may be issued by a licensed security agent to its employees.

Pursuant to Section 22 of the PSIA, a security agency which is awarded a security agency licence by the PLRD is to comply with the conditions of the licence, full details of which can be found in the Licensing Conditions for Security Agency Licence issued by the PLRD. Furthermore, the licensing officer may at any time add to, vary or revoke any condition of a licence by giving notice to the licensee concerned. A licensee who fails to comply with any licence condition shall be guilty of an offence and may be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 2 years, or both.

### **Security Officer Licence**

Under Sections 14 and 16 of the PSIA, all security officers must obtain a security officer's licence from the PLRD, and a security agency may not employ any person as a security officer unless such person is a licensed security officer. Under the Licensing Conditions for Security Officers issued by the PLRD, among others, the licensee shall (i) comply with prescribed training requirements and job functions of the corresponding grades of security officers, (ii) not be involved in any debt collection activity, and (iii) not be employed as a security officer by more than two employers at any one time. In addition, Malaysian applicants must submit their Certificate of Good Conduct (also commonly known as Certificate of No Criminal Conviction) and a copy of their valid work permit to the PLRD when applying for the licence.

The security officer licence is valid for five (5) years for Singapore citizens and permanent residents of Singapore. For Malaysian citizens, the licence will be tied to the validity of the work permit or employment pass held by the licensee.

We have obtained the relevant licence to operate as a security service provider. All our security officers are licensed by the PLRD.

### **Progressive Wage Model for Security Sector (“PWM”)**

The Progressive Wage Model was developed by the Security Tripartite Cluster to regulate the payment of wages to security officers by ensuring that such employees are paid wages commensurate with their skills and productivity. The PWM functions as a roadmap for raising basic wages, skills and productivity, and encompasses specific wage ladders tailored for each industry sector. Each wage ladder comprises a series of wage points and is intended to enable workers at all levels of the ladder to upgrade and progress to their next respective wage points.

The PWM for the security sector provides a five-level career progression model, with specific training requirements that tap on the Singapore Workforce Skills Qualifications for Security (“**Security WSQ**”).

Under the Security WSQ, trainees complete each module at their own pace, based on their training needs. Upon completion of each Security WSQ module, trainees will receive a Statement of Attainment, and upon successful completion of the required modules, receive the full qualification. There are four (4) qualification levels as listed below:

Level 1 (Operational): Workforce Skills Qualifications certificate in security operations

- Security officers

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## APPENDIX B – SUMMARY OF RELEVANT LAWS AND REGULATIONS

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- Security screening officers
- Senior security officers

Level 2 (Operational): Workforce Skills Qualifications higher certificate in armed security

- Auxiliary police officers

Level 3 (Supervisory): Workforce Skills Qualifications advanced certificate in security supervision

- Security supervisors
- Senior security supervisors

Level 4 (Managerial): Workforce Skills Qualifications diploma in security management

- Operations executives / managers
- Security consultants
- Chief security officer

The career and wage progression ladder for the security sector and basic floor wage may be broadly summarised as follows:

### **Progression Ladder**

1. A new applicant in the industry had been required to undertake two (2) basic licensing units and the “Recognise Terrorist Threats” by 1 January 2020 in order to be promoted to a security officer, where he will receive the basic wage of at least S\$1,250 in 2020 as stipulated by the PWM.
2. To progress up the ladder, a security officer is required to work for a minimum of six (6) months in the position of a security officer and undertake two (2) certificate modules in order in order to be promoted to the position of senior security officer, where he will receive a minimum monthly wage of S\$1,420 for 2020.
3. To progress further, a senior security officer is required to work for at least one (1) year as a senior security officer and undertake one (1) advanced licensing unit and two (2) advanced modules in order to be promoted to the position of security supervisor, where he will receive a minimum monthly wage of S\$1,620.
4. To progress further, the security supervisor must work for at least one (1) year and six (6) months in that position and obtain four (4) advanced modules (full advanced certificate) to be promoted to the position of senior security supervisor, where he will receive a minimum monthly wage of S\$1,820 in 2020.
5. To progress further, the senior security supervisor must work for at least two (2) years in that position and obtain three (3) diploma modules to be promoted to the position of chief security officer, for which position a basic wage floor is not stipulated by the PWM.

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## APPENDIX B – SUMMARY OF RELEVANT LAWS AND REGULATIONS

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### Training Requirements

Security agencies must also ensure that their Singapore citizen and PR security officers meet the PWM training requirements. From 1 September 2016, security agencies must ensure their security officers receive required training and are paid wages that are in line or higher than the progressive wage levels specified in the PWM. The PRLD has incorporated the PWM in its existing licensing framework for security agencies and compliance with the wage and training requirements under the PWM will be one of the licensing conditions for security agencies. Security agencies that do not comply with the stipulated requirements may not have their licences renewed.

Save as disclosed in the section entitled “Business – Security and manpower services” of this Offer Document, we have complied with both the payment thresholds according to the PWM wage ladder and the training requirements in accordance with the PWM for our Singaporean and Singapore permanent residents security officers.

### (ii) Cleaning Services

#### Environmental Public Health Act (Chapter 95) of Singapore (“EPHA”)

Effective from 1 April 2014, under Section 80D of the EPHA, no person shall carry on a cleaning business in Singapore except under and in accordance with a cleaning business licence that is in force, even if the cleaning services form only part of its overall business.

Under Section 80G of the EPHA read with the Environment Public Health (General Cleaning Industry) Regulations 2014, a cleaning services business must fulfil all of the following to obtain the cleaning business licence from the NEA:

- (a) Registration with ACRA or the Registry of Societies (“ROS”);
- (b) Prove its track records;
- (c) Conduct the prescribed training and at the prescribed frequency for its cleaning workforce; and
- (d) Submit a progressive wage plan.

#### Registration with ACRA or ROS

To be eligible, the cleaning business must be a sole proprietorship, firm, limited liability partnership, a company registered with ACRA, or an association or society registered with the ROS.

#### Track Record

For an existing cleaning services business, it must have at least one (1) cleaning contract on-going or completed in the 12 months preceding the licence application.

For a new cleaning services business or a business otherwise unable to satisfy the above requirement, it must have at least one (1) employee: (a) with no less than two (2) years of practical experience in supervising cleaning work; or (b) has attended the requisite training modules under the Environment Cleaning Singapore Workforce Skills Qualifications as prescribed.

#### Training for Cleaning Workforce

The cleaning services business must send its cleaners (employed for three (3) months or more as at the date of application) to attend at least one (1) module under the Environment Cleaning Singapore Workforce Skills Qualifications Framework. The NEA may recognise other non-Environment Cleaning Singapore Workforce Skills Qualifications modules.

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## APPENDIX B – SUMMARY OF RELEVANT LAWS AND REGULATIONS

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The training may be implemented in phases. At the point of licence application, there must be 50.0% training compliance achieved, and by the first licence renewal, there must be 100.0% training compliance achieved.

The cleaning services business need not be specially licensed for provision of cleaning services for high rise buildings. However, the individual workers that are tasked to provide the services must be individually licensed with the relevant skills, which includes assessment as a Rope Access Technician and a Work-At-Height Course (for supervisors).

### **Progressive Wage Plan**

A cleaning services business must submit a progressive wage plan for resident cleaners (Singapore citizens and permanent residents) employed or proposed to be employed regardless of whether they are full-time, part-time or temporary employees, specifying (i) the basic wage for each class of cleaners, (ii) the basic wage payable to every cleaner that is on an increasing scale depending on seniority, responsibilities, cleaning work experience and training received, and (iii) that where the cleaner belongs to a class of cleaners specified as eligible for a progressive wage model bonus, the cleaner will be paid a progressive wage model bonus, and conform to the wage levels as specified by the Commissioner for Labour based on the recommendations of the Tripartite Cluster for Cleaners, pursuant to Sections 80H(1)(d), 80H(2) and 80H(3) of the EPHA.

### **Licence Conditions**

In addition, a licensed cleaning service business must continue to comply with the following licence conditions: (a) keep and retain records relating to the cleaning business; (b) ensure all cleaners are adequately trained and to keep training records; (c) have a written contract of service for every cleaner employed; (d) pay progressive wage for resident cleaners, which should be consistent with the submitted progressive wage plan and no less than the amount specified by the Commissioner of Labour; (e) issue pay slips to each cleaner; and (f) where the applicant was required to satisfy, in respect of the grant of the cleaning business licence, the requirement of having an experienced or trained personnel, to ensure at all times that at least one of its officers or employees continues to have the requisite practical experience, qualification or certificate. The cleaning service licence is valid for one (1) year and renewable on a yearly basis.

### **(iii) Manpower Services**

#### **Employment of Foreign Manpower Act (Chapter 91A) of Singapore (“EFMA”)**

The employment of foreign workers in Singapore is governed by the EFMA and regulated by the Work Permit Department in MOM. In Singapore, under Section 5(1) of the EFMA, no person shall employ a foreign worker unless he has obtained in respect of the foreign worker a valid work pass. The foreign worker has to be employed and carry out duties in respect of his work pass. Any person who fails to comply with or contravenes Section 5(1) of the EFMA shall be guilty of an offence and shall:

- (a) be liable on conviction to a fine of not less than \$5,000 and not more than \$30,000 or to imprisonment for a term not exceeding 12 months or to both; and
- (b) on a second or subsequent conviction:
  - (i) in the case of an individual, be punished with a fine of not less than \$10,000 and not more than \$30,000 and with imprisonment for a term of not less than one month and not more than 12 months; and
  - (ii) in any other case, be punished, with a fine not less than \$20,000 and not more than \$60,000.

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## APPENDIX B – SUMMARY OF RELEVANT LAWS AND REGULATIONS

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In relation to the employment of semi-skilled foreign workers, employers must ensure that such persons apply for a “Work Permit”. There is no minimum qualifying salary for Work Permit holders. In relation to the employment of foreign mid-level skilled workers, employers must ensure that such persons apply for an “S Pass”. The minimum qualifying salary for S Pass holders is currently S\$2,500 for new applicants and from 1 May 2021 for renewal applicants. In relation to the employment of foreign professionals, employers must ensure that such persons apply for an “Employment Pass”. The minimum qualifying salary for Employment Pass holders has been raised from S\$3,900 to S\$4,500 with effect from 1 September 2020 for new applicants and from 1 May 2021 for renewal applicants. From 1 December 2020, the minimum qualifying salary for new applicants of Employment Pass in the financial services sector will be further raised to S\$5,000, and this criterion will take effect from 1 May 2021 for renewal applicants.

The number of Work Permit and S Pass holders a company can hire in Singapore is limited by a quota (or dependency ratio ceiling) and subject to limitations, including conditions for source countries or regions, age when applying and maximum period of employment. The dependency ratio ceiling for foreign workers (whether Work Permit holders or S Pass holders) hired by a company within the services sector in Singapore is currently 38% of the company’s total workforce, and will be reduced to 35% with effect from 1 January 2021.

The employment of foreign workers is also subject to the payment of levies. Levies of S\$450, S\$600 and S\$800 are payable monthly for basic skilled tier one Work Permit holders, basic skilled tier two Work Permit holders and basic skilled tier three Work Permit holders in the services sector, respectively. Tier one applies where Work Permit holders make up to 10% of the total workforce of the employer in the services sector. Tier two applies where this percentage is above 10% and up to a maximum of 25%. Tier three applies where this percentage is above 25% and up to a maximum of 38%. The levies applicable for S Pass holders similarly take a tiered approach, such that companies which hire close to the maximum quota will pay higher levies. Levies of \$330 and \$650 are applicable for S Pass holders under the basic tier and tier two, respectively. The basic tier is applicable to companies in the services sector with a dependency ratio of one (1) foreign worker for every 10 full-time workers (10%) or lower while the tier two is applicable to companies in the services sector with a dependency ratio of above 10% and up to a maximum of 13%.

### **Employment Agencies Act (Chapter 92) of Singapore (Original Enactment: Ordinance 47 Of 1958) Revised Edition 2012 (30th September 2012) (“EAA”)**

The EAA regulates employment agencies in Singapore.

#### **Employment Agency Licence**

Under Section 6(1) of the EAA, no person shall carry on an employment agency unless the person is the holder of an Employment Agency licence from the Commissioner authorising the person to carry on such an agency. An “employment agency” for the purposes of the EAA means any agency or registry carried on or represented as being or intended to be carried on (whether for the purpose of gain or reward or not) for or in connection with the employment of persons in any capacity, but does not include any registry set up by an employer for the sole purpose of recruiting persons for employment on his own behalf.

#### **Registration of All Employment Agency Personnel**

All key appointment holders and other employment agency personnel performing employment agency work must be registered with MOM before the licensee may permit or authorise such personnel to perform any specified employment agency work.

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## APPENDIX B – SUMMARY OF RELEVANT LAWS AND REGULATIONS

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### Eligibility for Employment Agency Personnel

A key appointment holder is, in relation to an employment agency, any director, chief executive officer, chief financial officer, chief operating officer, partner or sole-proprietor of the employment agency, or anyone who has general control and management of the administration of any specified employment agency work of the employment agency, and must minimally not be an undischarged bankrupt, not have been convicted of an offence involving dishonesty or human trafficking, and not have been a director or manager of an employment agency whose licence was revoked.

Any other employment agency personnel performing employment agency work must minimally not have been convicted of an offence involving human trafficking, and not have been a director or manager of an employment agency whose licence was revoked.

### Licence Type

Employment agency licences issued are valid for up to three (3) years. Under the Employment Agencies Licence Conditions, there are broadly two (2) categories of employment agency licence available, namely the Comprehensive Licence, which allows an agency to place any type of workers, and the Select Licence, which only allows an agency to place workers earning a monthly salary of more than S\$4,500. There are different requirements to meet for each type of employment agency licence.

We have obtained the Comprehensive Licence (All) for our manpower services under the EAA. The period of validity of our licence is from 2 April 2020 to 1 April 2023.

## (E) RELATING TO COVID-19 IN SINGAPORE

### COVID-19 (Temporary Measures) Act 2020 (“CTMA”)

The CTMA came into effect in Singapore on 7 April 2020.

Under the CTMA, the Minister of Health may make regulations and make control orders for the purpose of preventing, protecting against, delaying or otherwise controlling the incidence or transmission of COVID-19 in Singapore. Control orders may make provisions including the following (a) requiring people or certain people to stay at or in, and not leave, a specified place (whether or not a place of accommodation); (b) restricting movement of or contact between people, including prohibiting or limiting group activities or other activities of people within the specified place in paragraph (a), restricting the use of any facilities at that place and limiting movement to and from that place, whether by time or location; (c) requiring closing or limiting access to premises at a specified time, in a specified manner or to a specified extent, in relation to any premises or facility used to carry out any business, undertaking or work; (d) restricting the time, manner or extent for the carrying out of any business, undertaking or work, including prescribing restrictions on the maximum number of people, opening hours or facilities provided, for the carrying on of the business, undertaking or work.

The COVID-19 (Temporary Measures) (Control Order) Regulations 2020 (“**Control Order Regulations**”), which came into effect on 7 April 2020, contains requirements and restrictions relating to, among others, the wearing of masks outside, people leaving their places of residence, permitted social gatherings and safe distancing and safe management measures relating to permitted enterprises.

Under the CTMA and the Control Order Regulations, all non-essential services at non-residential premises (which included all construction activity at construction sites) were suspended during the circuit breaker period from 7 April 2020 to 1 June 2020.

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## **APPENDIX B – SUMMARY OF RELEVANT LAWS AND REGULATIONS**

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Following the end of the circuit breaker period, from 2 June 2020, BCA has gradually allowed more construction projects to resume in a controlled manner in phases. With effect from 10 August 2020, BCA has allowed all firms employing foreign construction workers to resume work without applying for BCA's approval, unless the foreign construction workers are deployed to perform work at construction sites or supply works premises. Main contractors must still apply for specific approval of the workforce performing work (including on behalf of its subcontractors and the subcontractors' workers) at construction sites and supply works premises, and must set out plans in their applications to BCA to implement safe management measures for all subcontractors and the subcontractors' workers on site.

Companies performing construction and supply works have to comply with COVID-Safe Restart Criteria, which comprise the COVID-Safe Worksite Criteria, COVID-Safe Worksite (Supply Works) Criteria, COVID-Safe Workforce Criteria, COVID-Safe Accommodation Criteria and COVID-Safe Transport Criteria, where relevant.

### **Construction Restart Booster to Support Firms and Workers for Sector Restart**

On 27 June 2020, a \$1.36 billion Construction Support Package was announced to help firms in the construction sector cope with the impact of COVID-19 and to aid them in resuming work quickly and safely. One component of the Construction Support Package is the \$525 million Construction Restart Booster which aims to help construction firms defray costs in procuring additional material and equipment to comply with COVID-Safe Worksite requirements to ensure works resume safely. The Construction Restart Booster comprises two separate components: (i) COVID-Safe firm-based support, and (ii) COVID-Safe project-based support.

The COVID-Safe firm-based support helps with the additional costs incurred by firms to comply with COVID-safe requirements such as provision of personal protective equipment and masks for workers, and individually packed meals. To help with workforce-based measures required of firms, the Singapore Government will help offset part of these costs by providing S\$400 per construction worker employed per firm. All firms employing construction workers will receive this one-off support.

The COVID-Safe project-based support provides for additional costs related to ensuring project sites comply with COVID-Safe requirements including safe distancing measures (e.g. demarcation of work zones, barricades). This project-level support will be given to main contractors who are responsible for implementing these measures for their projects, and support levels will be based on the project contract value.

### **Temporary Relief from Inability to Perform Contracts**

Among others, the CTMA provides temporary relief to businesses and individuals who are unable to perform their contractual obligations because of COVID-19. The temporary relief comes in the form of a freeze on the taking of legal action (including, but not limited to, court and insolvency proceedings, enforcement of security, repossession of goods and exercising the right of re-entry or forfeiture) for inability to perform contractual obligations for certain scheduled contracts between 20 April 2020 and 19 October 2020. On 12 October 2020, the Singapore Government announced an extension of the temporary relief from contractual obligations for construction and supply contracts from 19 October 2020 to 31 March 2021. The scheduled contracts under the CTMA include certain secured bank facility agreements, performance bonds granted pursuant to construction or supply contracts, certain hire purchase agreements or conditional sales agreements, leases or licences for non-residential immovable property, event contracts, tourism related contracts and construction or supply contracts.

Additional relief is available for contracts relating to tourism and construction services. Such scheduled contracts must have been entered into on or before 24 March 2020 and a party will be entitled to relief if they are unable to perform an obligation due to be performed on or after 1 February 2020. The inability to perform must be to a material extent caused by either the COVID-19 epidemic or pandemic or by any law, order or direction made because of COVID-19.

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## APPENDIX B – SUMMARY OF RELEVANT LAWS AND REGULATIONS

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The party claiming such relief first must serve a notification for relief in accordance with prescribed requirements under the CTMA. Where parties disagree as to the application of the relief measures, any party may apply to an assessor who will determine whether the case in question is one to which the relief measures under the CTMA apply. No party may be represented by lawyers at proceedings before an assessor except with the assessor's permission. Any person who takes legal action without reasonable excuse in contravention of the relief measures under the CTMA shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$1,000.

Additional measures under the CTMA relating to contracts affected by delays in the performance or breach of a construction contract, supply contract or related contract came into force on 30 September 2020. Such measures provide relief for specific individuals and businesses that are affected by delays or breaches in separate construction or supply (or related) contracts, where such delays or breaches are due to COVID-19 and are applicable in the following three (3) situations:

- (1) Where a person who rented goods used for construction work is or will be liable for additional rental expenses

A person who has rented goods for use in construction work may apply for relief if he is or will be liable to his supplier for additional rental expenses due to a delay or breach in a separate construction or supply (or related) contract which is due to COVID-19.

- (2) Where a lessee or licensee (i.e. a tenant) of non-residential property is unable to carry out or complete renovation or fitting out works during the rent-free period

A tenant of non-residential property who has been granted a rent-free period to carry out renovation or fitting out works may have lost the benefit of such rent-free period as its contractors were unable to carry out or complete the renovation or fitting out works under a separate construction contract due to the COVID-19 situation. The tenant may apply for relief in respect of the rent-free period that it was unable to utilise.

- (3) Where a lessor or licensor (i.e., a landlord) of non-residential property is unable to deliver possession by the date stated in the lease or licence agreement

A landlord of non-residential property may be unable to deliver possession to the tenant by the date stipulated in the lease or licence, due to COVID-19 related delays in a separate construction contract that the landlord has with a third party. The landlord may apply for relief in respect of its inability to meet the delivery date to the tenant.

### **Rental Relief Framework**

The rental relief framework under the CTMA and the COVID-19 (Temporary Measures) (Rental and Related Measures) Regulations 2020 mandates the co-sharing of rental obligations between the Singapore Government, landlords and tenants. The framework, comprising the Rental Relief and the Additional Rental Relief, applies to eligible tenant-occupiers in qualifying leases or licences entered into before 25 March 2020 or entered into before 25 March 2020 but expired and renewed either automatically or in exercise of a right of renewal in the contract and in force at any time between 1 April and 31 July 2020 for qualifying commercial properties, and between 1 April and 31 May 2020 for other non-residential (e.g. industrial/office) properties.

Eligible tenant occupiers who qualify for Rental Relief include small and medium enterprises or certain non-profit organisations each with not more than S\$100 million in annual revenue in annual revenue for FY2018 or a later appropriate period (where applicable).

## APPENDIX B – SUMMARY OF RELEVANT LAWS AND REGULATIONS

Eligible tenant-occupiers of Qualifying Commercial Properties and Other Non-residential Properties, as defined under the COVID-19 (Temporary Measures) (Rental and Related Measures) Regulations 2020 (“**COVID-19 Rental Regulations**”) will benefit from the rental relief framework as set out in the table below.

Types of relief	Duration of rental relief	
	Qualifying Commercial Properties (e.g. Shops)	Other Non-residential Properties (e.g. Industrial / Office Properties)
<b>(A) Rental relief (supported by the Government)<sup>(1)</sup></b>		
Rental waiver	<b>2 months</b> (for April to May 2020)	<b>1 month</b> (for April 2020)
<b>(B) Additional rental relief (supported by landlords / property owners)</b>		
Rental waiver	<b>2 months</b> (for June to July 2020)	<b>1 month</b> (for May 2020)
<b>Total</b>	<b>4 months</b> (for April to July 2020)	<b>2 months</b> (for April to May 2020)

(1) Owners of the prescribed properties will receive government assistance through: (a) the property tax rebate for year 2020 announced in the Singapore Government’s 2020 Unity and Resilience Budgets; and (b) the cash grant announced in the Singapore Government’s 2020 Fortitude Budget.

Under the COVID-19 Rental Regulations, “**Qualifying Commercial Properties**” include any premises that are used or intended to be used, among others, as a shop or warehouse retail building, a restaurant, or a sports and recreation building and “**Other Non-residential Properties**” comprise any premises other than Qualifying Commercial Properties, subject to certain exclusions.

Qualifying property owners (owners of property with eligible tenant-occupiers) will receive a notice of cash grant from IRAS informing them of the rental waivers they should provide to their tenants. Property owners must serve a copy of the IRAS notice on their tenants within four (4) working days of receipt of the notice and a tenant who is sub-lessor must in turn serve a copy of the IRAS notice on the sub-lessee, if such sub-lessee is an eligible tenant occupier, within four (4) working days of receipt of the notice. Until the notices of cash grant are issued, the CTMA provides for a moratorium on enforcement actions against tenant-occupiers for non-payment of rent under the lease or licence agreement. Among other things, landlords are prohibited from taking the following actions on the tenant-occupier or the tenant-occupier’s guarantor/surety in relation to the non-payment of rent: (a) terminating the lease or licence agreement, (b) exercising the landlord’s right of re-entry or forfeiture under the lease or licence agreement or any other right with a similar outcome; and (c) starting or continuing court or insolvency proceedings. The moratorium ends on the date IRAS issues the notice of cash grant to the property owner, or on 31 December 2020 if no such notice is received before then.

Once the property owner receives the notice of cash grant, the applicable rent (comprising the Rental Relief and/or the Additional Rental Relief, as applicable) and any interest payable on such rent is waived under the CTMA and eligible tenant-occupiers need not pay rent and any interest thereon for the months covered by the rental relief framework, unless other factors apply. Where landlords have earlier provided assistance to their tenants or reached an agreement to provide assistance to their tenants, these can be offset from the landlords’ rental waiver obligations.

Upon receiving the IRAS notice of cash grant, a landlord may make an application using the prescribed form, within 10 days after receiving the notice of cash grant, to have a rental relief assessor ascertain the eligibility of the tenant occupier for Rental Relief or Additional Rental Relief or the eligibility of the landlord for a reduction in Additional Rental Relief.

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## APPENDIX B – SUMMARY OF RELEVANT LAWS AND REGULATIONS

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### Jobs Support Scheme

The Singapore Government announced the Jobs Support Scheme (“**JSS**”) in February 2020 as part of its raft of support measures to combat the financial effects of COVID-19 on the Singapore economy. The JSS was subsequently extended and enhanced, most recently on 17 August 2020, in view of the protracted duration and effects of the outbreak. Under the JSS, the Singapore Government co-funds between 25% to 75% of the first S\$4,600 of gross monthly wages paid to each Singapore citizen and permanent resident employee (“**local employee**”) in a ten-month period, up to August 2020, and 10% to 50% of the same in the subsequent seven-month period from September 2020 to March 2021. Qualifying employers will receive in total five (5) main JSS pay-outs in April 2020, July 2020, October 2020, March 2021, and June 2021, with an additional special pay-out made in May 2020. All employers who have made mandatory central provident fund contributions for their local employees will qualify for the pay-outs.

The level and duration of support each employer receives depends on the sector in which the employer operates. Under the latest update to the JSS in August 2020, the Singapore government will provide three tiers of wage support of varying levels and durations to employers from September 2020 to March 2021. Employers in the hardest-hit industries such as aviation and tourism will receive 50% wage support from September 2020 until March 2021, while employers in the arts and entertainment, food services and retail, land transport, and marine and offshore industries will receive 30% wage support from September 2020 until March 2021 and employers in sectors that are managing well such as biomedical sciences, electronics, financial services, online retail and supermarkets will receive 10% wage support from September 2020 to December 2020. Other firms will receive 10% of wages paid from September 2020 until March 2021. The built environment sector, which includes the security and construction industries, will receive 50% wage support up to October 2020 and 30% wage support from November 2020 to March 2021.

### Foreign worker levy waiver and rebates

Under Singapore law, employers of foreign workers who are work permit or S Pass holders must pay a monthly levy for each such worker. The levy rates payable by each employer vary with factors such as the sector in which the employer operates, the worker’s qualifications and the number of work permit or S Pass holders hired by such employer.

In March 2020 the Singapore government announced a three (3) month extension for small and medium enterprises to pay their foreign worker levies and a levy waiver of up to 90 days for foreign workers on overseas leave. In April 2020, the government expanded its support measures and announced a waiver of levies payable in April 2020 and a rebate of S\$750 for each work permit or S Pass holder (“**qualifying worker**”), amounting to S\$675 million in aggregate in foreign worker levy rebates for over 62,000 employers, applicable during the circuit breaker period from April 2020 to May 2020.

Businesses not permitted to resume their operations on 1 June 2020 received a 100% levy waiver and a S\$750 levy rebate per qualifying worker for that month and in July received a 50% levy waiver and a S\$375 levy rebate per qualifying worker. Firms in the construction, marine shipyard and process sectors will receive a full waiver of levies due in June, July, August and September 2020 and waivers of 75%, 50% and 25% of the levies due for October, November and December 2020, respectively. Firms in such sectors will receive S\$375 in levy rebates per qualifying worker for August and September 2020 and will continue to receive a S\$90 levy rebate per qualifying worker monthly from October 2020 to December 2021, following which the government will assess the need for an extension of such measures.

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## APPENDIX B – SUMMARY OF RELEVANT LAWS AND REGULATIONS

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### **Jobs Growth Incentive (“JGI”)**

On 17 August 2020, the Singapore Government announced a new scheme to help firms in growth sectors such as biomedical sciences, healthcare and finance to boost their local headcount over the next six (6) months. To support ongoing efforts to create new jobs, under the new JGI, the Singapore Government will co-pay up to 25% of salaries of the first S\$5,000 of all new local employees’ salaries for one (1) year if such local hires are made during the six (6) months following August 2020. More support will be given for hiring local workers aged 40 and above with the government co-paying 50% of salaries of such new hires, subject to the same cap. In order to qualify for support under the JGI, there must be an increase in overall local workforce size and increase in local workforce size earning more than S\$1,400 per month, compared to the August 2020 local workforce. To encourage employers to retain their existing local employees as far as possible, the JGI payout will be adjusted downwards if any existing local employees (in the employer’s employ as at August 2020) leave the employer after August 2020. The adjustment factor will be higher if more existing local employees leave the employer.

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## APPENDIX C – SUMMARY OF THE CONSTITUTION OF OUR COMPANY

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The discussion below provides a summary of certain provisions in our Constitution and the laws of Singapore. This discussion is only a summary and is qualified by reference to Singapore law and our Constitution.

### 1. Directors

#### (a) Ability of interested directors to vote

A Director shall not vote in regard to any contract, arrangement or transaction, or proposed contract, arrangement or transaction in which he has directly or indirectly a personal material interest, or in respect of any allotment of shares or debentures of our Company to him and if he does so vote his vote shall not be counted.

A Director, notwithstanding his interest, may be counted in the quorum present at any meeting where he or any other Director is appointed to hold any office or place of profit under our Company, or where the Directors resolve to exercise any of the rights of our Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company, or where the Directors resolve to enter into or make any arrangements with him or on his behalf pursuant to our Constitution or where the terms of any such appointment or arrangements are considered, and he may vote on any such matter other than in respect of the appointment of or arrangements with himself or the fixing of the terms thereof.

#### (b) Remuneration

Fees payable to non-executive Directors shall be a fixed sum (not being a commission on or a percentage of profits or turnover of our Company). Fees payable to Directors shall be determined from time to time by our Company in general meeting and shall not be increased except by ordinary resolution at a general meeting convened by a notice specifying the intention to propose such increase.

Any Director who is appointed to any executive office, or who serves on any committee, or who otherwise performs or renders services outside the ordinary duties of our Director, may be paid extra remuneration as our Directors may determine.

The remuneration of a CEO/Managing Director (or an equivalent appointment) shall from time to time be fixed by our Directors and may, subject to our Constitution, be by way of salary or commission or participation in profits or by any or all of these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover. Our Directors shall have power to pay a gratuity or other retirement, superannuation, death or disability benefits to any Director or former Director who had held any other salaried office or place of profit (or to any person in respect of) and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

#### (c) Borrowing

Our Directors may at their discretion exercise all the powers of our Company to raise or borrow money, to mortgage, charge or hypothecate all or any property or business of our Company, including any uncalled capital or called but unpaid capital, and to secure any debt, liability or obligation of our Company or any third party.

#### (d) Retirement Age Limit

There is no retirement age limit for Directors under our Constitution.

#### (e) Shareholding Qualification

There is no shareholding qualification for Directors under our Constitution.

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## APPENDIX C – SUMMARY OF THE CONSTITUTION OF OUR COMPANY

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### 2. Share rights and restrictions

We currently have one (1) class of shares, namely, ordinary shares. Only persons who are registered on our register of shareholders are recognised as our shareholders. In cases where the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for the ordinary shares are recognised as our Shareholders.

#### (a) Dividends and distribution

We may, by ordinary resolution of our shareholders, declare dividends at a general meeting. We must pay all dividends out of profits available for distribution. We may capitalise any sum standing to the credit of any of our Company's reserve accounts and apply it to pay dividends, if such dividends are satisfied by the issue of shares to our shareholders. All dividends in respect of shares must be paid in proportion to the number of shares held by our shareholder but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that shareholder in respect of that payment.

The payment by our Directors of any unclaimed dividends or other monies payable on or in respect of a share into a separate account shall not constitute our Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by our Directors for the benefit of our Company. Any dividend unclaimed after a period of six (6) years after having been declared may be forfeited and shall revert to our Company but our Directors may thereafter at their discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.

Our Directors may retain any dividends or other monies payable on or in respect of a share on which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

#### (b) Voting rights

A holder of our ordinary shares is entitled to attend and vote at any general meeting, in person or by proxy or attorney, and (in the case of a corporation) by a representative. A proxy or attorney need not be a shareholder. A person who holds ordinary shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting if his name is certified by CDP as appearing on the Depository Register maintained by CDP not later than 72 hours before the general meeting or such cut-off time as provided under the SFA, whichever is earlier. Except as otherwise provided in our Constitution, two (2) or more shareholders must be present in person or by proxy, attorney, and (in the case of a corporation) by a representative, to constitute a quorum at any general meeting. At a general meeting, all resolutions put to the vote of the general meeting shall be decided by way of poll. Every shareholder present in person or by proxy or attorney, and (in the case of a corporation) by a representative shall have one (1) vote for each share which he holds or represents. In the case of equality of votes, the Chairman of the meeting shall be entitled to a casting vote.

### 3. Change in capital

Changes in the share capital of our Company (for example, consolidation, cancellation or sub-division of our shares) require shareholders to pass an ordinary resolution. General meetings at which ordinary resolutions are proposed to be passed shall be called by at least 14 clear days' notice in writing. The notice must be given to each of our shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting. Our Company may by special resolution reduce the share capital of our Company, subject to any requirements and consents required by law.

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## **APPENDIX C – SUMMARY OF THE CONSTITUTION OF OUR COMPANY**

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### **4. Variation of rights of existing shares or classes of shares**

Subject to the Companies Act, whenever the share capital of our Company is divided into different classes of shares, the special rights attached to any class may only be varied or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, the provisions of our Constitution relating to general meetings of our Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two (2) persons holding or representing by proxy or attorney at least one-third of the issued shares of the class, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two (2) months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting. These provisions shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied or abrogated.

### **5. Limitations on foreign or non-resident shareholders**

There are no limitations imposed by Singapore law or by our Constitution on the rights of our Shareholders who are regarded as non-residents of Singapore, to hold or vote their shares.

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## APPENDIX D – DESCRIPTION OF OUR SHARES

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Our Company was converted from a private limited company into a public company limited by shares on 24 March 2020. Our corporate affairs are governed by our Constitution. The following statements are brief summaries of our capital structure and the more important rights and privileges of our Shareholders as conferred by the laws of Singapore and our Constitution. These statements summarise the material provisions of our Constitution but are qualified in entirety by reference to our Constitution, a copy of which will be available for inspection at our registered office during normal business hours for a period of six (6) months from the date of the registration of this Offer Document with the SGX-ST. The summary below does not purport to be complete and is qualified in its entirety by reference to our Constitution.

### Shares

We have only one (1) class of shares, namely, our Shares, which have identical rights in all respects and rank equally with one another. Our Constitution provides that we may issue shares of a different class with preferential, deferred, qualified or special rights, privileges or conditions as our Directors may think fit and may issue preference shares which are, or at our option are, redeemable, the terms and manner of redemption being determined by our Directors. Our Shares do not have a par value.

As at the date of this Offer Document, 90,000,000 Shares have been issued and fully paid. No Shares are held by, or on behalf of, us or our subsidiaries. We may, subject to the provisions of the Companies Act and the listing rules of the SGX-ST, purchase our own Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

### New Shares

No Shares may be issued by our Directors without prior sanction of an ordinary resolution of our Company in a general meeting pursuant to the Companies Act.

### Shareholders

We maintain a register of Shareholders containing the particulars of our Shareholders. Only persons who are registered on our register of Shareholders and, in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for our Shares, are recognised as our Shareholders. Except as required by law, no person shall be recognised by our Company as holding any share upon any trust and we will not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or any interest in any fractional part of a Share or (except only as provided by our Constitution or by law) any other rights in respect of any Share except an absolute right to the entirety thereof in the person (other than CDP) entered in the register of Shareholders as the registered holder thereof or (where the person entered in the register of Shareholders is CDP) the person whose name is entered in the Depository Register in respect of that Share. If any Share stands jointly in the names of two (2) or more persons, the person whose name stands first in the register of Shareholders or the Depository Register shall as regards service of notices and, subject to the provisions of the Constitution, all or any other matters connected with our Company except with respect to the transfer of Shares, be deemed the sole holder thereof. We may close our register of Shareholders for any period of time or periods of time as our Directors may, from time to time determine. However, the register may not be closed for more than 30 days in aggregate in any calendar year. We typically close the register of Shareholders to determine our Shareholders' entitlement to receive dividends and other distributions.

### Transfer of Shares

There is no restriction on the transfer of fully paid-up Shares except where required by law or the Catalist Rules or the rules or bye-laws of the SGX-ST. Our Directors may decline to register any transfer of Shares which are not fully paid up to a transferee of whom they do not approve, or of Shares on which we have a lien. Subject to our Constitution, Shares may be transferred by any Shareholder by a duly signed instrument of transfer in a form approved by the SGX-ST. Our Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence as they may require to show the right of the transferor to make the transfer.

We will replace lost or destroyed certificates for Shares if the applicant pays a fee which will not exceed S\$2.00 and furnishes any evidence and indemnity that our Directors may require.

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## APPENDIX D – DESCRIPTION OF OUR SHARES

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### General Meetings of Shareholders

We are required to hold an annual general meeting every year. Under our Constitution, the annual general meeting shall be held after the end of each financial year within four (4) months. In addition, for so long as the Shares of our Company are listed on Catalist, the interval between the end of our Company's financial year and the date of our Company's annual general meeting shall not exceed four (4) months or such period as may be prescribed or permitted by the SGX-ST.

Our Directors may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than 10.0% of the total voting rights of all our Shareholders, request in writing that such a meeting be held. Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to our Constitution, a change of our corporate name and a reduction in our share capital or capital redemption reserve fund. We must give at least 21 clear days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 clear days' notice in writing. The notice must be given to each of our Shareholders who have supplied us with an address in Singapore for the giving of notices and must specify the place, day and hour of the meeting and, in the case of special business, the general nature of that business.

### Voting Rights

A holder of our Shares is entitled to attend, speak and vote at any general meeting, in person or by proxy or attorney. A proxy or attorney does not need to be a Shareholder. A Depositor will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register maintained by CDP not later than 72 hours before the general meeting. Except as otherwise provided in our Constitution, two (2) or more Shareholders must be present in person or by proxy or by attorney or by a corporate representative, in the case of a corporation, to constitute a quorum at any general meeting. Under our Constitution, subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Constitution, at any general meeting, every Shareholder present in person or by proxy or by attorney or by a corporate representative, in the case of a corporation, shall have one (1) vote for each Share which he holds or represents. In the case of a tie vote, the Chairman of the meeting shall be entitled to a second or casting vote.

### Dividends

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting. Our Board may also declare an interim dividend without the approval of our Shareholders.

We must pay all dividends out of our profits. We may satisfy dividends by the issue of Shares to our Shareholders. Please refer to the section entitled "Bonus and Rights Issue" below.

All dividends are paid to our Shareholders in proportion to the amount paid-up on each Shareholder's Shares, subject to any rights or restrictions attached to any Share or class of shares.

Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address appearing in our register of Shareholders or (as the case may be) the Depository Register. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

### Bonus and Rights Issues

Our Board may, with the approval of our Shareholders at a general meeting, capitalise any sums standing to the credit of any of our Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account and distribute the same as bonus shares credited as paid-up to our Shareholders in proportion to their shareholdings.

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## APPENDIX D – DESCRIPTION OF OUR SHARES

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Our Board may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which we are listed.

Our Board may also issue bonus Shares to participants of any share incentive or option scheme or plan implemented by our Company and approved by our Shareholders in such manner and on such terms our Board shall think fit.

### Take-overs and Substantial Shareholdings

#### Obligations under the Take-over Code

There are requirements under Singapore laws on take-over offers for our Shares that apply to us. We will be subject to Sections 138, 139 and 140 of the SFA and the Take-over Code issued by the Authority pursuant to Section 321 of the SFA for so long as our Shares are listed for quotation on the SGX-ST. The Take-over Code regulates the acquisition of ordinary shares of public companies or corporations, all or any of the shares of which are listed for quotation on a securities exchange, and contains certain provisions that may delay, deter or prevent a take-over or change in control of such a public company. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting shares in such a public company, or if such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of the voting shares in that company and acquires additional voting shares representing more than 1.0% of the voting shares in that company in any six-month period, must, except with the consent of the Securities Industry Council, extend a take-over offer for the remaining voting shares in accordance with the provisions of the Take-over Code. Under the Take-over Code, “parties acting in concert” comprise individuals or companies who, pursuant to an arrangement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other unless the contrary is established, as follows:

- (a) the following companies:
  - (i) a company;
  - (ii) the parent company of (i);
  - (iii) the subsidiaries of (i);
  - (iv) the fellow subsidiaries of (i);
  - (v) the associated companies of (i), (ii), (iii) or (iv);
  - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
  - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

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## APPENDIX D – DESCRIPTION OF OUR SHARES

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- (e) a financial or other professional adviser, including a stockbroker, with its customer in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) the following persons and entities:
  - (i) an individual;
  - (ii) the close relatives of (i);
  - (iii) the related trusts of (i);
  - (iv) any person who is accustomed to act in accordance with the instructions of (i);
  - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
  - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Under the Take-over Code, a take-over offer for consideration other than cash must, subject to certain exceptions, be accompanied by a cash alternative at not less than the highest price by the offeror or parties acting in concert with the offeror during the offer period and within the six (6) months preceding the acquisition of shares that triggered the take-over offer obligation.

Under the Take-over Code, where effective control of a public company incorporated in Singapore is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders of the company is normally required. An offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders subject to the take-over offer must be given sufficient information, advice and time to consider and decide on the offer.

### **Obligation to notify substantial shareholdings and changes thereto**

Under the SFA, a person has a substantial shareholding in our Company if he has an interest (or interests) in one (1) or more voting shares (excluding treasury shares and subsidiary holdings) in our Company and the total votes attached to that share or those shares, is not less than 5.0% of the aggregate of the total votes attached to all voting shares (excluding treasury shares and subsidiary holdings) in our Company.

The SFA requires Substantial Shareholders, or if they cease to be Substantial Shareholders, to give notice in writing of particulars of the voting shares in our Company in which they have or had an interest (or interests) and the nature and extent of that interest or those interests, and of any change in the percentage level of their interest.

In addition, the deadline for a Substantial Shareholder to make such disclosures to our Company under the SFA is two (2) business days after he becomes aware:

- (a) that he is or (if he had ceased to be one) had been a Substantial Shareholder;
- (b) of any change in percentage level in his interest; or
- (c) that he had ceased to be a Substantial Shareholder,

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## APPENDIX D – DESCRIPTION OF OUR SHARES

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there being a conclusive presumption of a person being “aware” of a fact or occurrence at the time of which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware.

Following the above, we will in turn announce or otherwise disseminate the information stated in the notice to the SGX-ST as soon as practicable and in any case, no later than the end of the Singapore business day following the day on which we received the notice.

“**Percentage level**”, in relation to a Substantial Shareholder in our Company, means the percentage figure ascertained by expressing the total votes attached to all the voting shares in our Company in which the Substantial Shareholder has an interest (or interests) immediately before or (as the case may be) immediately after the relevant time as a percentage of the total votes attached to all the voting shares (excluding treasury shares and subsidiary holdings) in our Company, and, if it is not a whole number, rounding that figure down to the next whole number.

While the definition of an “**interest**” in our voting shares for the purposes of Substantial Shareholder disclosure requirements under the SFA is similar to that under the Companies Act, the SFA provides that a person who has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, a voting share is regarded as having an interest in such share, even if such authority is, or is capable of being made, subject to restraint or restriction in respect of particular voting shares.

### **Liquidation or Other Return of Capital**

If we are liquidated or in the event of any other return of capital, holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

### **Indemnity**

As permitted by Singapore law, our Constitution provides that, subject to the Companies Act, our Board and officers shall be entitled to be indemnified by us against all costs, charges, losses, expenses and liabilities incurred in (a) the execution and discharge of their duty in their respective offices unless such costs, charges, losses, expenses or liabilities arise as a result of any negligence, fraud, default, breach of duty or breach of trust on their part in relation to us, and (b) defending any proceedings, whether civil or criminal, relating to the affairs of our Company, in which judgement is given in their favour or in which they are acquitted or in connection with any application under the Companies Act in which relief is granted by the court unless such proceedings arise through their own negligence, default, breach of duty or breach of trust.

### **Limitations on Rights to Hold Shares or Vote in respect of the Shares**

Except as described in “Voting Rights” and “Take-overs and Substantial Shareholdings” in this Appendix D, there are no limitations imposed by Singapore law or by our Constitution on the rights of non-resident Shareholders to hold or vote in respect of our Shares.

### **Minority Rights**

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any of our Shareholders, as they think fit to remedy any of the following situations where:

- (a) our affairs are being conducted or the powers of our Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one (1) or more of the Shareholders; or
- (b) we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one (1) or more of our Shareholders, including the applicant.

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## APPENDIX D – DESCRIPTION OF OUR SHARES

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The Singapore courts have a wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, the Singapore courts may:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of our affairs in the future;
- (c) authorise civil proceedings to be brought in our name, or on our behalf, by a person or persons and on such terms as the court may direct;
- (d) provide for the purchase of a minority Shareholder's Shares by our other Shareholders or by us;
- (e) in the case of a purchase of Shares by our Company, provide for a reduction accordingly of our Company's capital; or
- (f) provide that our Company be wound up.

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## APPENDIX E – TAXATION

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*The statements made herein regarding taxation are general in nature and based on certain aspects of the current tax laws of Singapore and administrative guidelines issued by the relevant authorities in force as of the date of this Offer Document and are subject to any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. The statements below are not to be regarded as advice on the tax position of any holder of our Shares or of any person acquiring, selling or otherwise dealing with our Shares or on any tax implications arising from the acquisition, sale or other dealings in respect of our Shares. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of our Shares and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.*

*Prospective Shareholders are advised to consult their own tax advisers as to the tax consequences of the acquisition, ownership of or disposal of our Shares. It is emphasised that neither our Company nor any other persons involved in this Offer Document accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of our Shares.*

### **Corporate income tax**

A Singapore tax resident corporate taxpayer is liable to Singapore income tax on:

- (a) income accruing in or derived from Singapore; and
- (b) unless otherwise exempt, income derived from outside Singapore which is received in Singapore or deemed to have been received in Singapore by the operation of law.

A non-Singapore tax resident corporate taxpayer is generally liable to Singapore income tax on income accruing in or derived from Singapore and on income derived from outside Singapore which is received in Singapore or deemed to have been received in Singapore by the operation of law but generally only where this taxpayer is operating in or from Singapore.

A company is tax resident in Singapore if the control and management of its business is exercised in Singapore. Normally, control and management of a company is vested in the board of directors and a company is resident in the country where its board of directors meet.

The prevailing corporate income tax is 17.0% with the first S\$200,000 of normal chargeable income of a company being exempt from tax as follows from the Year of Assessment (“YA”) 2020<sup>41</sup>:

- (a) 75.0% of up to the first S\$10,000 of normal chargeable income; and
- (b) 50.0% of up to the next S\$190,000 of normal chargeable income.

As announced in Budget 2020, the corporate income tax rebate for YA 2020 is 25% of the tax payable of a company, capped at S\$15,000.

Tax exemption is granted to a Singapore tax resident company on its foreign-sourced dividend, foreign branch profits or foreign-sourced service income received in Singapore on or after 1 June 2003 provided the following qualifying conditions are met:

- (a) the foreign-sourced income had been subjected to tax in the foreign country from which it is received;

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<sup>41</sup> For new start-up companies meeting certain conditions (e.g. must be a Singapore tax resident company, etc.), the tax exemption from the Year of Assessment 2020 applies as follows:-

- (a) 75.0% of up to the first S\$100,000 of normal chargeable income; and
- (b) 50.0% of up to the next S\$100,000 of normal chargeable income

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## APPENDIX E – TAXATION

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- (b) in the year the foreign-sourced income is received in Singapore, the highest corporate tax rate (headline tax rate) of the foreign country from which the income is received is at least 15.0%; and
- (c) the Comptroller of Income Tax (the “**Comptroller**”) is satisfied that the tax exemption would be beneficial to the company.

Pursuant to a tax concession granted with effect from 30 July 2004, the above exemption has been extended to specified foreign-sourced income which is exempted from tax (i.e. underlying and withholding tax) in the foreign jurisdiction as a result of a tax incentive granted by that foreign jurisdiction for carrying out substantive business activities in that foreign jurisdiction, provided that the conditions in (b) and (c) above are also met.

### **Dividend Distributions**

Singapore adopts a One-Tier Corporate Taxation System (“**One-Tier System**”). Under the One-Tier System, the tax collected from corporate profits is a final tax and the after-tax profits of a company resident in Singapore can be distributed to the shareholders as tax exempt (one-tier) dividends. Such dividends are tax exempt in the hands of the shareholders whether or not the shareholder is a Singapore tax resident.

Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders.

Foreign shareholders are advised to consult their own tax advisers to take into account the tax laws of their respective home countries/countries of residence which are applicable on such dividends received by them and the applicability of any double taxation agreement which their country of residence may have with Singapore.

### **Individual Income Tax**

An individual taxpayer (both resident and non-resident) is subject to Singapore income tax on income accruing in or derived from Singapore, subject to certain exemptions. Foreign-sourced income received or deemed received by a Singapore tax resident individual is generally exempt from income tax in Singapore (except for such income received through a partnership in Singapore) if the Comptroller is satisfied that the tax exemption would be beneficial to the individual. Foreign-sourced income received or deemed received by a non-Singapore tax resident individual is generally exempt from tax. Certain Singapore-sourced investment income received or deemed received by individuals may also be exempt from Singapore income tax, if the relevant stipulated condition(s), where applicable can be satisfied.

Currently, a Singapore tax resident individual is subject to tax at the progressive rates, ranging from 0.0% to 22.0% with effect from the YA 2017.

A non-Singapore tax resident individual is normally taxed at the prevailing tax rate of 22.0% for director’s fees and certain other income, unless otherwise reduced under an applicable tax treaty, while Singapore employment income for a non-Singapore tax resident is generally taxed at a flat rate of 15.0% or at progressive resident rates, whichever yields a higher tax payable.

An individual is regarded as tax resident in Singapore for any YA if:-

1. in the calendar year preceding the YA, the individual resides in Singapore except for such temporary absences therefrom as may be reasonable and not inconsistent with a claim by such an individual to be resident in Singapore, and includes an individual who is physically present or who exercises an employment (other than as a director of a company) in Singapore for at least 183 days during the year preceding the YA;
2. the individual (other than a director of a company) resides in Singapore for at least 183 days for a continuous period over two (2) years and the employment period must straddle two calendar years; or
3. the individual (other than a director of a company) resides in Singapore for three (3) consecutive years.

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## APPENDIX E – TAXATION

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### ***Gains on Disposal of Shares***

Singapore currently does not impose tax on capital gains. Any gains considered to be in the nature of capital made from the sale of our Shares will not be taxable in Singapore. However, any gains derived by any person from the sale of our Shares which are gains derived from any trade, business, vocation or profession carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

There are currently no specific laws or regulations that address the characterisation of gains. The characterisation of gains arising from the sale of our Shares will depend on the facts and circumstances of each Shareholder.

Gains derived by a divesting company from the disposal of ordinary shares in an investee company are exempt from tax if immediately prior to the date of share disposal, the divesting company had held at least 20.0% of the ordinary shares in the investee company for a continuous period of at least 24 months. This tax exemption is applicable to disposals made during the period 1 June 2012 to 31 December 2027 (both dates inclusive). The exemption does not apply in certain circumstances, for example disposal of shares in an unlisted company that is in the business of trading or holding Singapore immovable properties (other than property development). For disposals on or after 1 June 2022, the exemption would not apply to disposal of shares in an unlisted company that is in the business of trading, holding or developing properties in Singapore or abroad.

Foreign sellers are advised to consult their own tax advisers to take into account the applicable tax laws of their respective home countries or countries of residence as well as the provisions of any applicable double taxation agreement.

As the tax status of one Shareholder will vary from another, Shareholders are advised to consult their own professional advisers on the Singapore tax consequences that may apply to their individual circumstances.

In addition, Shareholders who adopt the Singapore Financial Reporting Standard 109 (**FRS 109**) or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) (**SFRS(I) 9**) (as the case may be) for accounting purposes for financial periods beginning on or after 1 January 2018, may for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses of a capital nature) on the Shares, irrespective of an actual disposal, in accordance with FRS 109 or SFRS(I) 9 (as the case may be). Shareholders who may be subject to such tax adjustments/ treatment should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their purchase, holding and disposal of our Shares.

### **Stamp Duty**

There is no stamp duty payable on the subscription of our newly issued Shares.

Where an instrument of transfer is executed in respect of our Shares, stamp duty is payable on such instrument of transfer at the rate of 0.2% of the purchase consideration or market value of our Shares, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

Stamp duty is not applicable where there is no instrument of transfer executed for the transfer of scripless shares.

### **Goods and Services Tax (“GST”)**

The disposal of our Shares by a GST-registered Shareholder belonging in Singapore (for GST purposes) to another person belonging in Singapore (for GST purposes) is an exempt supply, and would not be subject to GST.

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## APPENDIX E – TAXATION

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Any input GST incurred by the GST-registered Shareholder in respect of such exempt supply is generally not recoverable as an input tax credit from the Comptroller of GST unless the GST-registered Shareholder satisfies certain conditions prescribed under the GST legislation.

Where the Shares are sold by a GST-registered Shareholder to a person belonging outside Singapore (for GST purposes), the sale constitutes a zero-rated supply (i.e. subject to GST at 0%) for GST purposes. Any input GST incurred by a GST-registered Shareholder directly in making such supply in the course of his business may be recoverable as an input tax credit from the Comptroller of GST, subject to the relevant conditions.

Generally, services such as brokerage and handling services rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor's purchase, ownership or disposal of the Shares will be subject to GST at the standard rate of 7.0%. Similar services rendered contractually to an investor belonging outside Singapore for GST purposes should qualify for zero-rating (i.e. subject to GST at 0%), provided the investor is not physically present in Singapore at the time the services are performed and the services do not directly benefit a person who belongs in Singapore.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and disposal of our Shares.

### **Estate Duty**

Singapore estate duty has been abolished with effect from 15 February 2008.

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## APPENDIX F – RULES OF THE AEDGE ESOS

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### **RULES OF THE AEDGE EMPLOYEE SHARE OPTION SCHEME**

#### **1. NAME OF THE SCHEME**

The Scheme shall be called the “Aedge Employee Share Option Scheme”.

#### **2. DEFINITIONS**

In this Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
“Adoption Date”	:	The date on which the Scheme was adopted by the Company in general meeting
“Associate”	:	Shall have the meaning assigned to it in the Catalist Rules
“Associated Company”	:	A company in which at least 20.0% but not more than 50.0% of its issued shares are held by the Company or the Group and over which the Company has Control
“Associated Company Employee”	:	Any confirmed employee (including directors) of an Associated Company selected by the Committee to participate in the Scheme
“Auditors”	:	The auditors of the Company for the time being
“Board”	:	The board of Directors of the Company for the time being
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Committee”	:	The Remuneration Committee of the Company
“Company”	:	Aedge Group Limited
“Constitution”	:	The constitution of the Company
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	A shareholder who:  (a) holds directly or indirectly 15.0% or more of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (unless otherwise determined by the SGX-ST that a person who satisfies this sub-paragraph is not a controlling shareholder); or  (b) in fact exercises Control over the Company

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## APPENDIX F – RULES OF THE AEDGE ESOS

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- “Date of Grant”* : The date on which an Option is granted to a Participant pursuant to Rule 7
- “Director”* : A person holding office as a director for the time being of the Company
- “Executive Director”* : A director who is an employee of the Group and who performs an executive function
- “Exercise Price”* : The price at which a Participant shall acquire each Share upon the exercise of an Option, as determined in accordance with Rule 9, or such adjusted price as may be applicable pursuant to Rule 10
- “Financial Year”* : Each period of twelve (12) months or more or less than twelve (12) months, at the end of which the balance of accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company
- “Grantee”* : The person to whom an offer of an Option is made
- “Group”* : The Company, its Subsidiaries and Associated Companies (as they may exist from time to time)
- “Group Employee”* : Any confirmed employee of the Group (including an Executive Director) selected by the Committee to participate in the Scheme in accordance with Rule 4
- “Market Day”* : A day on which the SGX-ST is open for trading of securities
- “Market Price”* : The average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offer Date, provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
- “Non-executive Director”* : A director of the Company and/or its subsidiaries, other than one who performs an executive function
- “Offer Date”* : The date on which an offer to grant an Option is made pursuant to the Scheme
- “Option”* : The right to acquire Shares granted or to be granted to a Group Employee or a Non-executive Director pursuant to the Scheme and for the time being subsisting

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- “Option Period”* : Subject as provided in Rules 11 and 15, the period for the exercise of an Option being:
- (a) in the case of an Option granted with the Exercise Price set at Market Price, a period beginning one (1) year from the Offer Date of that Option and expiring on the (i) tenth year in the case of an Option granted to Group Employees; and (ii) fifth year in the case of an Option granted to Non-executive Directors and Associated Company Employees, from the relevant Offer Date or such earlier date as may be determined by the Committee, subject to any other conditions as may be determined by the Committee from time to time; and
  - (b) in the case of an Option granted with the Exercise Price set at a discount to the Market Price, a period beginning two (2) years from the Offer Date of that Option and expiring on the (i) tenth (10th) year in the case of an Option granted to Group Employees; and (ii) fifth (5th) year in the case of an Option granted to Non-executive Directors and Associated Company Employees, from the relevant Offer Date or such earlier date as may be determined by the Committee, subject to any other conditions as may be determined by the Committee from time to time
- “Participant”* : The holder of an Option
- “Record Date”* : The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions (as the case may be)
- “Rules”* : The rules of the Scheme, as the same may be modified from time to time
- “Scheme”* : The Aedge Employee Share Option Scheme
- “SGX-ST”* : The Singapore Exchange Securities Trading Limited
- “Shareholders”* : The registered holders for the time being of the Shares (other than CDP) or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register
- “Shares”* : Ordinary shares in the capital of the Company
- “Subsidiary”* : A company which is for the time being a subsidiary of the Company as defined by Section 5 of the Act
- “S\$”* : Singapore dollars
- “%”* : Per centum or percentage

2.2 The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

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- 2.3 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.
- 2.4 Any reference to a time of a day in the Scheme is a reference to Singapore time unless otherwise stated.
- 2.5 Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted.
- 2.6 Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Scheme and used in the Scheme shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

### 3. OBJECTIVES OF THE SCHEME

The Scheme will provide an opportunity for Group Employees who have contributed significantly to the growth and performance of the Group and Non-executive Directors who satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company. The Scheme is primarily a share incentive scheme. It recognises the fact that the services of Group Employees and Non-executive Directors are important to the success and continued well-being of the Group. Implementation of the Scheme will enable the Company to give recognition to the contributions made by such Group Employees and Non-executive Directors. At the same time, it will give such Group Employees and Non-executive Directors an opportunity to have a direct interest in the Company at no direct cost to the Company's profitability and will also help to achieve the following positive objectives:

- (a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees and directors whose contributions are essential to the long-term growth and prosperity of the Group;
- (c) to instil loyalty to, and a stronger identification by Participants with the long-term prosperity of, the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and
- (e) to align the interests of Participants with the interests of the Shareholders.

### 4. ELIGIBILITY

- 4.1 The following persons shall be eligible to participate in the Scheme at the absolute discretion of the Committee:
- (a) Group Employees (including Executive Directors) who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors, and who have, as of the Date of Grant, been in the employment of the Group for a period of at least twelve (12) months, or such shorter period as the Committee may determine; and
  - (b) Non-executive Directors who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors.

Directors and employees of the Company's parent company and its subsidiaries (other than the Company and the Subsidiaries) are not entitled to participate in the Scheme.

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## APPENDIX F – RULES OF THE AEDGE ESOS

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There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within the Group.

4.2 Controlling Shareholders and their Associates who satisfy the criteria set out in Rule 4.1 above shall be eligible to participate in the Scheme provided that:

(a) their participation; and

(b) the actual or maximum number of Shares and terms of any Options to be granted to them,

have been approved by independent Shareholders of the Company at a general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the actual or maximum number of Shares and terms of any Options to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent Shareholders of the Company for the participation in the Scheme of a Controlling Shareholder or his Associate who is, at the relevant time, already a Participant.

4.3 Subject to the Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.

### 5. MAXIMUM ENTITLEMENT

Subject to Rule 4 and Rule 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for acquisition in accordance with the Scheme shall be determined at the discretion of the Committee who shall take into account criteria such as rank, past performance, years of service and potential development of the Grantee.

### 6. LIMITATION ON THE SIZE OF THE SCHEME

6.1 The aggregate number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable or transferred and to be transferred in respect of all Options granted under the Scheme and the number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day immediately preceding the Offer Date of the Option.

6.2 The aggregate number of Shares which may be issued or transferred pursuant to Options under the Scheme to Participants who are Controlling Shareholders and their Associates shall not exceed 25.0% of the Shares available under the Scheme.

6.3 The number of Shares which may be issued or transferred pursuant to Options under the Scheme to each Participant who is a Controlling Shareholder or his Associate shall not exceed 10.0% of the Shares available under the Scheme.

### 7. OFFER DATE

7.1 The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that no Options shall be granted during the period of thirty (30) days immediately preceding the date of announcement of the Company's interim and/or final results (whichever the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers to grant Options may only be made on or after the third Market Day on which such announcement is released.

7.2 An offer to grant the Option to a Grantee shall be made by way of a letter (the "Letter of Offer") in the form or substantially in the form set out in Annex 1, subject to such amendments as the Committee may determine from time to time.

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### 8. ACCEPTANCE OF OFFER

- 8.1 An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within thirty (30) days after the relevant Offer Date and not later than 5.00 p.m. on the thirtieth (30th) day from such Offer Date (a) by completing, signing and returning to the Company the acceptance form in or substantially in the form set out in Annex 2 (the “**Acceptance Form**”), subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration or such other amount and such other documentation as the Committee may require and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with these Rules.
- 8.2 If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the thirty (30) day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.
- 8.3 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or Exercise Notice (as defined in Rule 12) given pursuant to Rule 12 which does not strictly comply with the terms of the Scheme.
- 8.4 Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee’s prior written approval, but may be exercised by the Grantee’s duly appointed personal representative as provided in Rule 11.6 in the event of the death of such Grantee.
- 8.5 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 100 Shares. The Committee shall, within fifteen (15) Market Days of receipt of the Acceptance Form and consideration, acknowledge receipt of the same.
- 8.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 8.7 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 8.1 within the thirty (30) day period; or
  - (b) the Participant dies prior to his acceptance of the Option; or
  - (c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
  - (d) the Grantee, being a Group Employee, ceases to be in the employment of the Group or, being an Executive Director or Non-Executive Director, ceases to be a director of the Group, in each case, for any reason whatsoever prior to his acceptance of the Option; or
  - (e) the Company is liquidated or wound-up prior to the Grantee’s acceptance of the Option.

### 9. EXERCISE PRICE

- 9.1 Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and shall be fixed by the Committee at: (a) the Market Price; or (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20.0% of the Market Price in respect of that Option.

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## APPENDIX F – RULES OF THE AEDGE ESOS

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- 9.2 In making any determination under Rule 9.1(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:
- (a) the performance of the Company, its Subsidiaries and Associated Companies, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
  - (b) the years of service and individual performance of the eligible Group Employee or Non-Executive Director;
  - (c) the contribution of the eligible Group Employee or Non-Executive Director to the success and development of the Company and/or the Group; and
  - (d) the prevailing market conditions.

### 10. ALTERATION OF CAPITAL

- 10.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, sub-division, consolidation or distribution, or otherwise howsoever) should take place, then:

- (a) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised; and/or
- (b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (c) the maximum entitlement in any one Financial Year; and/or
- (d) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate, including retrospective adjustments, where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that, in their opinion, such adjustment is fair and reasonable.

- 10.2 Notwithstanding the provisions of Rule 10.1 above, any adjustment must be made in such a way that a participant will not receive a benefit that a Shareholder does not receive; and (b) our Remuneration Committee after considering all relevant circumstances considers it equitable to do so.
- 10.3 The issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Catalist Rules, undertaken by the Company on the SGX-ST during the period when a share repurchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment under the provisions of this Rule 10.
- 10.4 The restriction on the number of Shares to be offered to any Grantee under Rule 5 above, shall not apply to the number of additional Shares or Options over additional Shares issued or transferred by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.

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10.5 Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised and the maximum entitlement in any one Financial Year.

### 11. OPTION PERIOD

11.1 Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by a Participant after the first (1st) anniversary of the Offer Date of that Option, provided always that the Options granted to Group Employees (other than Non-executive Directors and/or Associated Company Employees) shall be exercised before the tenth (10th) anniversary of the relevant Offer Date, and Options granted to Non-executive Directors and/or Associated Company Employees shall be exercised before the fifth (5th) anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

11.2 Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by a Participant after the second (2nd) anniversary from the Offer Date of that Option, provided always that the Options granted to Group Employees (other than Non-executive Directors and/or Associated Company Employees) shall be exercised before the tenth (10th) anniversary of the relevant Offer Date, and Options granted to Non-executive Directors and/or Associated Company Employees shall be exercised before the fifth (5th) anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

11.3 An Option shall, to the extent unexercised, immediately lapse and become null and void and a Participant shall have no claim against the Company:

- (a) subject to Rules 11.4, 11.5 and 11.6, upon the Participant ceasing to be in the employment of the Company or any of the companies within the Group for any reason whatsoever; or
- (b) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or
- (c) in the event of misconduct on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11.3(a), a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

11.4 If a Participant ceases to be employed by the Group by reason of his:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) redundancy;
- (c) retirement at or after a normal retirement age; or
- (d) retirement before that age with the consent of the Committee,

or for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

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11.5 If a Participant ceases to be employed by a Subsidiary:

- (a) by reason of the Subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary, being transferred otherwise than to another company within the Group; or
- (b) for any other reason, provided the Committee gives its consent in writing, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.6 If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representatives of the Participant within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.7 If a Participant, who is also an Executive Director or a Non-executive Director (as the case may be), ceases to be a director for any reason whatsoever, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

### 12. EXERCISE OF OPTIONS, ALLOTMENT OR TRANSFER AND LISTING OF SHARES

12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Annex 3 (the “**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

12.2 Subject to:

- (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
- (b) compliance with the Rules and the Constitution,

the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days after the date of the exercise of the Option in accordance with Rule 12.1, allot the Shares or, as the case may be, procure the transfer of existing Shares (which may include, where desired, any Shares held by the Company as treasury shares), in respect of which such Option has been exercised by the Participant and where required, or as the case may be, within five (5) Market Days from the date of such allotment, despatch the relevant share certificates to CDP for the credit of the securities account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

12.3 The Company shall as soon as practicable after the exercise of an Option, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.

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## APPENDIX F – RULES OF THE AEDGE ESOS

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- 12.4 Shares which are all allotted or transferred on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in the name of, or transferred to, CDP to the credit of the securities account of the Participant maintained with CDP or the Participant's securities sub-account with a Depository Agent.
- 12.5 Shares allotted and issued, and existing Shares procured by the Company for transfer, upon the exercise of an Option shall be subject to all provisions of the Constitution of the Company (including provisions relating to voting, transfer of Shares and liquidation of the Company) and shall rank *pari passu* in all respects with the then existing issued Shares except for any dividends, rights, allotments or other distributions, the Record Date for which is prior to the date such Option is exercised.
- 12.6 Except as set out in Rule 12 and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.

### 13. ALTERATIONS AND AMENDMENTS TO THE SCHEME

- 13.1 Any or all of the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee except that:
- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which, in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration, may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all the Shares which would fall to be issued and allotted or transferred upon exercise in full of all outstanding Options;
  - (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of Shareholders at a general meeting; and
  - (c) no modification or alteration shall be made without the prior approval of the SGX-ST or (if required) any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 13.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

- 13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without any other formality save for the prior approval of the SGX-ST) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provisions or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 13.3 Written notice of any modification or alteration made in accordance with this Rule shall be given to all Participants.

### 14. DURATION OF THE SCHEME

- 14.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the Adoption Date. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.
- 14.2 The Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.

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## APPENDIX F – RULES OF THE AEDGE ESOS

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14.3 The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

### 15. TAKE-OVER AND WINDING-UP OF THE COMPANY

15.1 In the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and 11.2) holding Options as yet unexercised shall, notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise such Options in full or in part in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
- (b) the date of the expiry of the Option Period relating thereto;

whereupon any Option then remaining unexercised shall immediately lapse and become null and void.

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11, remain exercisable until the expiry of the Option Period.

15.2 If, under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and Rule 11.2) shall, notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option shall lapse and become null and void, provided always that the date of exercise of any Option shall be before the tenth anniversary of the Offer Date.

15.3 If an order or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.

15.4 In the event of a members' solvent voluntary winding-up (other than for amalgamation or reconstruction), Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and Rule 11.2) shall, subject to Rule 15.5, be entitled within thirty (30) days of the passing of the resolution of such winding-up (but not after the expiry of the Option Period relating thereto) to exercise in full any unexercised Option, after which such unexercised Option shall lapse and become null and void.

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15.5 If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding-up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.

15.6 To the extent that an Option is not exercised within the periods referred to in this Rule 15, it shall lapse and become null and void.

### **16. ADMINISTRATION OF THE SCHEME**

16.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board.

16.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.

16.3 Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Scheme).

16.4 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Options to be granted to him.

### **17. NOTICES AND COMMUNICATIONS**

17.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.

17.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.

17.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 17.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of dispatch.

### **18. TERMS OF EMPLOYMENT UNAFFECTED**

18.1 The Scheme or any Option shall not form part of any contract of employment between the Company, any Subsidiary or Associated Company (as the case may be) and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Scheme or any right which he may have to participate in it or any Option which he may hold and the Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

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## **APPENDIX F – RULES OF THE AEDGE ESOS**

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18.2 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company, any Subsidiary and/or Associated Company directly or indirectly or give rise to any cause of action at law or in equity against the Company, any Subsidiary or Associated Company.

### **19. TAXES**

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Scheme shall be borne by the Participant.

### **20. COSTS AND EXPENSES OF THE SCHEME**

20.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP or the Participant's securities sub-account with his Depository Agent and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.

20.2 Save for such costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs, and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment or transfer of the Shares pursuant to the exercise of any Option shall be borne by the Company.

### **21. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained and subject to the Act, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the Scheme including but not limited to the Company's delay or failure in issuing and allotting, or procuring the transfer of, the Shares or in applying for or procuring the listing of and quotation for the Shares on the SGX-ST or any other stock exchanges on which the Shares are quoted or listed.

### **22. ABSTENTION FROM VOTING**

Shareholders who are eligible to participate in the Scheme are to abstain from voting on any Shareholders' resolution relating to the Scheme and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, Shareholders who are eligible to participate in the Scheme shall abstain from voting on the following resolutions, where applicable:

- (a) implementation of the Scheme;
- (b) the maximum discount which may be given in respect of any Option; and
- (c) participation by and grant of Options to Controlling Shareholders and their Associates.

### **23. DISPUTES**

Any disputes or differences of any nature in connection with the Scheme shall be referred to the Committee and its decision shall be final and binding in all respects.

### **24. CONDITION OF OPTION**

Every Option shall be subject to the condition that no Shares shall be issued or transferred pursuant to the exercise of an Option if such issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue and/or transfer of Shares hereto.

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## APPENDIX F – RULES OF THE AEDGE ESOS

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### 25. GOVERNING LAW

The Scheme shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Company and the Participants, by accepting the offer of the grant of Options in accordance with the Scheme, shall submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

### 26. DISCLOSURE IN ANNUAL REPORT

The Company shall make the following disclosure in its annual report to Shareholders for so long as the Scheme continues in operation:

- (i) the names of the members of the Committee;
- (ii) the information required in the table below in respect of the following Participants of the Scheme:
  - (i) Directors of the Company;
  - (ii) Controlling Shareholders and their Associates; and
  - (iii) Participants, other than those in (i) and (ii) above, who receive 5.0% or more of the total number of Options available under the Scheme:

Name of participant	Options granted under the Aedge ESOS during the financial year under review (including terms)	Aggregate Options granted since commencement of the Aedge ESOS to end of financial year under review	Aggregate Options exercised since commencement of the Aedge ESOS to end of financial year under review	Aggregate Options outstanding as at end of financial year under review

- (iii) the number and proportion of Options granted at the following discounts to the Market Price in the financial year under review:
  - (i) Options granted at up to 10.0% discount; and
  - (ii) Options granted at between 10.0% but not more than 20.0% discount; and
- (iv) such other information as may be required by the Catalist Rules or the Act,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included herein.

### 27. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT (CHAPTER 538) OF SINGAPORE

No person other than the Company or a participant shall have any right to enforce any provision of the Scheme or any Options by virtue of the Contracts (Rights of Third Parties) Act (Chapter 538) of Singapore.

**AEDGE EMPLOYEE SHARE OPTION SCHEME**

**LETTER OF OFFER**

Serial No.: \_\_\_\_\_

**PRIVATE AND CONFIDENTIAL**

Date:

To: [Name]  
[Designation]  
[Address]

Dear Sir/Madam

We are pleased to inform you that you have been nominated by the Remuneration Committee of the Board of Directors of Aedge Group Limited (the “**Company**”) to participate in the Aedge Employee Share Option Scheme (the “**Scheme**”). Terms as defined in the Scheme shall have the same meaning when used in this letter.

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S\$1.00, to acquire \_\_\_\_\_ ordinary shares in the capital of the Company at the price of S\$ \_\_\_\_\_ per ordinary share. The Option shall be subject to the terms of this Letter of Offer and the Scheme (as the same may be amended from time to time pursuant to the terms and conditions of the Scheme), a copy of which is enclosed herewith.

The Option is personal to you and may not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than \_\_\_\_\_ a.m./p.m. on the \_\_\_\_\_ day of \_\_\_\_\_ failing which this offer will forthwith lapse.

Yours faithfully  
For and on behalf of  
**AEDGE GROUP LIMITED**

\_\_\_\_\_  
Name:  
Designation:

**AEDGE EMPLOYEE SHARE OPTION SCHEME**

**ACCEPTANCE FORM**

Serial No.: \_\_\_\_\_

To: The Remuneration Committee  
Aedge Employee Share Option Scheme c/o The Company Secretary  
Aedge Group Limited (the “**Company**”)  
4009 Ang Mo Kio Avenue 10,  
#04-33 Techplace 1,  
Singapore 569738

Closing Time and Date for Acceptance of Option : \_\_\_\_\_

No. of ordinary shares in the share capital of the Company (the “**Shares**”) in respect of which the Option is offered : \_\_\_\_\_

Exercise Price per Share : S\$ \_\_\_\_\_

Total Amount Payable on Acceptance of Option (exclusive of the relevant CDP charges) : S\$ \_\_\_\_\_

I have read your Letter of Offer dated \_\_\_\_\_ (the “**Offer Date**”) and agree to be bound by the terms thereof and of the Aedge Employee Share Option Scheme stated therein. I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to acquire such shares.

I hereby accept the Option to acquire \_\_\_\_\_ ordinary shares in the capital of Aedge Group Limited (the “**Shares**”) at S\$ \_\_\_\_\_ per Share and enclose a cheque/banker’s draft/cashier’s order/postal order no. for S\$1.00 being payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I also understand that I shall be responsible for all the fees of The Central Depository (Pte) Limited (the “**CDP**”) relating to or in connection with the issue and allotment or transfer of any Shares in CDP’s name, the deposit of share certificates with CDP, my securities account with CDP or my securities sub-account with a Depository Agent (as the case may be) (collectively, the “**CDP charges**”), and any stamp duties in respect of.

I confirm that as at the date hereof:

- (a) I am not less than 21 years old, nor an undischarged bankrupt, nor have I entered into a composition with any of my creditors;
- (b) I satisfy the eligibility requirements to participate in the Scheme as defined in Rule 4 of the Scheme; and
- (c) I satisfy the other requirements to participate in the Scheme as set out in the Rules of the Scheme.

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## APPENDIX F – RULES OF THE AEDGE ESOS

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I hereby acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

I agree to keep all information pertaining to the grant of the Option to me confidential.

**PLEASE PRINT IN BLOCK LETTERS**

Name in full : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

Nationality : \_\_\_\_\_

\*NRIC / Passport No. : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

\* Delete as appropriate

**Notes:**

- (1) Option must be accepted in full or in multiples of 100 Shares.
- (2) The Acceptance Form must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".
- (3) The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

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**APPENDIX F – RULES OF THE AEDGE ESOS**

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**ANNEX 3**

**AEDGE EMPLOYEE SHARE OPTION SCHEME**

**EXERCISE NOTICE**

Serial No.: \_\_\_\_\_

To: The Remuneration Committee  
Aedge Employee Share Option Scheme c/o The Company Secretary  
Aedge Group Limited (the “**Company**”)  
4009 Ang Mo Kio Avenue 10,  
#04-33 Techplace 1,  
Singapore 569738

Total number of ordinary shares in the capital :  
of Aedge Group Limited (the “**Shares**”) at  
S\$ \_\_\_\_\_ per Share under an option  
granted on \_\_\_\_\_ (the “**Offer Date**”) \_\_\_\_\_

Number of Shares previously allotted and :  
issued or transferred thereunder \_\_\_\_\_

Outstanding balance of Shares which may be :  
allotted and issued or transferred thereunder \_\_\_\_\_

Number of Shares now to be acquired (in :  
multiples of 100) \_\_\_\_\_

1. Pursuant to your Letter of Offer dated (the “**Offer Date**”) and my acceptance thereof, I hereby exercise the Option to acquire Shares in Aedge Group Limited (the “**Company**”) at S\$ \_\_\_\_\_ per Share.
2. I hereby request the Company to allot and issue or transfer to me the number of Shares specified in paragraph 1 in the name of The Central Depository (Pte) Limited (“**CDP**”) to the credit of my securities account with CDP/securities sub-account with a Depository Agent specified below and to deliver the share certificates relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP (the “**CDP charges**”) and any stamp duties in respect thereof:

\* (a) Direct Securities Account Number : \_\_\_\_\_

\* (b) Securities Sub-Account Number : \_\_\_\_\_

Name of Depository Agent : \_\_\_\_\_

3. I enclose a \*cheque/cashier’s order/bank draft/postal order no. \_\_\_\_\_ for S\$ \_\_\_\_\_ in payment for the Exercise Price of S\$ \_\_\_\_\_ for the total number of the said Shares and the CDP charges of S\$ \_\_\_\_\_ .

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**APPENDIX F – RULES OF THE AEDGE ESOS**

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4. I agree to acquire the Shares subject to the terms of the Letter of Offer, the Aedge Employee Share Option Scheme (as the same may be amended pursuant to the terms thereof from time to time) and the Constitution of the Company.

5. I declare that I am acquiring the Shares for myself and not as a nominee for any other person.

I agree to keep all information pertaining to the grant of the Option to me confidential.

**PLEASE PRINT IN BLOCK LETTERS**

Name in full : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

Nationality : \_\_\_\_\_

\*NRIC / Passport No. : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

\* Delete as appropriate

**Notes:**

- (1) An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof.
- (2) The form entitled "Exercise Notice" must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".

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## APPENDIX G – RULES OF THE AEDGE PSP

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### **RULES OF THE AEDGE PERFORMANCE SHARE PLAN**

#### **1. NAME OF THE PLAN**

The Plan shall be called the “Aedge Performance Share Plan”.

#### **2. DEFINITIONS**

In this Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

- “Act” : The Companies Act (Chapter 50) of Singapore, as amended supplemented or modified from time to time
- “Adoption Date” : The date on which the Plan was adopted by the Company in general meeting
- “Associate” : Shall have the meaning assigned to it in the Catalist Rules
- “Associated Company” : A company in which at least 20.0% but not more than 50.0% of its issued shares are held by the Company or the Group and over which the Company has Control
- “Auditors” : The auditors of the Company for the time being
- “Award” : A contingent award of Shares under Rule 5
- “Award Date” : In relation to an Award, the date on which the Award is granted pursuant to Rule 5
- “Award Letter” : A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee
- “Board” : The board of Directors of the Company for the time being
- “Catalist Rules” : The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
- “CDP” : The Central Depository (Pte) Limited
- “Committee” : The Remuneration Committee of the Company
- “Company” : Aedge Group Limited
- “Constitution” : The constitution of the Company
- “Control” : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
- “Controlling Shareholder” : A shareholder who:
- (a) holds directly or indirectly 15.0% or more of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (unless otherwise determined by the SGX-ST that a person who satisfies this sub-paragraph is not a controlling shareholder); or
  - (b) in fact exercises Control over the Company

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## APPENDIX G – RULES OF THE AEDGE PSP

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<i>“Director”</i>	:	A person holding office as a director for the time being of the Company
<i>“Executive Director”</i>	:	A director who is an employee of the Group and who performs an executive function
<i>“Group”</i>	:	The Company, its Subsidiaries and Associated Companies (as they may exist from time to time)
<i>“Group Executive”</i>	:	Any employee of the Group (including any Group Executive Director who meets the relevant criteria and who shall be regarded as a Group Executive for the purposes of the Plan) selected by the Committee to participate in the Plan in accordance with Rule 4
<i>“Group Executive Director”</i>	:	A director of the Company and/or any of its subsidiaries and/or any of its Associated Companies, as the case may be, who performs an executive function
<i>“Non-executive Director”</i>	:	A director of the Company and/or its subsidiaries, other than one who performs an executive function
<i>“Participant”</i>	:	A Group Executive or a Non-executive Director who has been granted an Award
<i>“Performance Condition”</i>	:	In relation to an Award, the condition specified on the Award Date in relation to that Award
<i>“Performance Period”</i>	:	The period, as may be determined by the Committee at its discretion, during which the Performance Condition is to be satisfied
<i>“Plan”</i>	:	The Aedge Performance Share Plan, as the same may be modified from time to time
<i>“Release”</i>	:	In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly
<i>“Release Schedule”</i>	:	In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period
<i>“Released Award”</i>	:	An Award which has been released in accordance with Rule 7
<i>“Retention Period”</i>	:	Such retention period as may be determined by the Committee and notified to the Participant at the grant of the relevant Award to that Participant
<i>“Rules”</i>	:	The rules of the Plan, as the same may be modified from time to time

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## APPENDIX G – RULES OF THE AEDGE PSP

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“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders for the time being of the Shares (other than CDP) or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Ordinary shares in the capital of the Company
“Subsidiary”	:	A company which is for the time being a subsidiary of the Company as defined by Section 5 of the Act
“Trading Day”	:	A day on which the Shares are traded on the SGX-ST
“Vesting”	:	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly
“Vesting Date”	:	In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7
“%”	:	Per centum or percentage

- 2.2 The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.
- 2.3 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.
- 2.4 Any reference to a time of a day in the Plan is a reference to Singapore time unless otherwise stated.
- 2.5 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted.
- 2.6 Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

### 3. OBJECTIVES OF THE PLAN

The Plan has been proposed in order to:

- (a) foster an ownership culture within the Group which aligns the interests of Group Executives and Non-executive Directors with the interests of Shareholders;
- (b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business units; and
- (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Company’s ambition to become a world class company.

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## **APPENDIX G – RULES OF THE AEDGE PSP**

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### **4. ELIGIBILITY OF PARTICIPANTS**

- 4.1 (a) Group Executives who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time and who have, as of the Award Date, been in full time employment of the Group for a period of at least twelve (12) months (or in the case of any Group Executive Director, such shorter period as the Committee may determine); and
- (b) Non-executive Directors shall be eligible to participate in the Plan at the absolute discretion of the Committee.

Directors and employees of the Company's parent company and its subsidiaries (other than the Company and the Subsidiaries) are not entitled to participate in the Plan.

- 4.2 Controlling Shareholders and their Associates who satisfy the criteria set out in Rule 4.1 above shall be eligible to participate in the Plan provided that:

- (a) their participation; and
- (b) the actual or maximum number of Shares and terms of any Awards to be granted to them,

have been approved by independent Shareholders of the Company at a general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the actual or maximum number of Shares and terms of any Awards to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent Shareholders of the Company for the participation in the Plan of a Controlling Shareholder or his Associate who is, at the relevant time, already a Participant.

- 4.3 Subject to the Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Committee.

### **5. GRANT OF AWARDS**

- 5.1 Subject as provided in Rule 8, the Committee may grant Awards to Group Executives and Non-executive Directors as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.

- 5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance and potential for future development, his contribution to the success and development of the Group and the extent of effort with which the Performance Condition may be achieved within the Performance Period.

- 5.3 The Committee shall decide in relation to an Award:

- (a) the Participant;
- (b) the Award Date;
- (c) the Performance Period;
- (d) the number of Shares which are the subject of the Award;
- (e) the Performance Condition;
- (f) the Release Schedule; and
- (g) any other condition which the Committee may determine in relation to that Award.

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## **APPENDIX G – RULES OF THE AEDGE PSP**

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- 5.4 The Committee may amend or waive the Performance Period, the Performance Condition and/or the Release Schedule in respect of any Award:
- (a) in the event of a take-over offer being made for the Shares or if under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or
  - (b) if anything happens which causes the Committee to conclude that:
    - (i) a changed Performance Condition and/or Release Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or
    - (ii) the Performance Condition and/or Release Schedule should be waived, and shall notify the Participants of such change or waiver.
- 5.5 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:
- (a) the Award Date;
  - (b) the Performance Period;
  - (c) the number of Shares which are the subject of the Award;
  - (d) the Performance Condition;
  - (e) the Release Schedule; and
  - (f) any other condition which the Committee may determine in relation to that Award.
- 5.6 Participants are not required to pay for the grant of Awards.
- 5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

### **6. EVENTS PRIOR TO THE VESTING DATE**

- 6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:
- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
  - (b) subject to Rule 6.2(b), upon the Participant ceasing to be in the employment of the Group for any reason whatsoever; or
  - (c) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 6.1(b), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

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## APPENDIX G – RULES OF THE AEDGE PSP

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6.2 In any of the following events, namely:

- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
- (b) where the Participant ceases to be in the employment of the Group by reason of:
  - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
  - (ii) redundancy;
  - (iii) retirement at or after the legal retirement age;
  - (iv) retirement before the legal retirement age with the consent of the Committee;
  - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be;
  - (vi) (where applicable) his transfer of employment between companies within the Group;
  - (vii) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
  - (viii) any other event approved by the Committee;
- (c) the death of a Participant; or
- (d) any other event approved by the Committee,

the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition has been satisfied.

6.3 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by Shareholders of the Company and/or sanctioned by the court under the Act; or
- (c) an order being made or a resolution being passed for the winding-up of the Company (other than as provided in Rule 6.1(c) or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has elapsed and the extent to which the Performance Condition has been satisfied. Where Awards are Released, the Committee will,

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## APPENDIX G – RULES OF THE AEDGE PSP

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as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7.

### 7. RELEASE OF AWARDS

#### 7.1 Review of Performance Condition

7.1.1 As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Condition specified in respect of each Award and determine at its discretion whether it has been satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be a Group Executive or a Non-executive Director from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

If the Committee determines in its sole discretion that the Performance Condition has not been satisfied or (subject to Rule 6) if the relevant Participant has not continued to be a Group Executive or a Non-executive Director from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.4 shall be of no effect.

The Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

7.1.2 Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Trading Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1.1 and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.

7.1.3 Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such new Shares.

#### 7.2 Release of Award

Shares which are allotted or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.

#### 7.3 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the Constitution of the Company (including provisions relating to voting, transfer of Shares and liquidation of the Company); and

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## APPENDIX G – RULES OF THE AEDGE PSP

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- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

For the purposes of this Rule 7.3, “**Record Date**” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

### 7.4 Moratorium

Shares which are allotted and issued or transferred to a Participant pursuant to the Release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

## 8. **LIMITATION ON THE SIZE OF THE PLAN**

- 8.1 The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan on any date, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding that date.
- 8.2 The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan to Participants who are Controlling Shareholders and their Associates shall not exceed 25.0% of the Shares available under the Plan.
- 8.3 The number of Shares which may be issued or transferred pursuant to Awards under the Plan to each Participant who is a Controlling Shareholder or his Associate shall not exceed 10.0% of the Shares available under the Plan.
- 8.4 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

## 9. **ADJUSTMENT EVENTS**

- 9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, sub-division, consolidation, distribution or otherwise) shall take place, then:
- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Committee may determine to be appropriate, provided that any adjustment must be made in such a way that a participant will not receive a benefit that a Shareholder does not receive.

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## **APPENDIX G – RULES OF THE AEDGE PSP**

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- 9.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders of the Company (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.
- 9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be, in their opinion, fair and reasonable.
- 9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given.

### **10. ADMINISTRATION OF THE PLAN**

- 10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.
- 10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.
- 10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with: (a) the lapsing of any Awards pursuant to any provision of the Plan; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.
- 10.5 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Awards to be granted to him.

### **11. NOTICES AND COMMUNICATIONS**

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.

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## APPENDIX G – RULES OF THE AEDGE PSP

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11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of dispatch.

### 12. MODIFICATIONS TO THE PLAN

12.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:

- (a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Conditions for their Awards being satisfied in full, would become entitled to not less than three-quarters (3/4) in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;
- (b) the definitions of “**Associated Company**”, “**Group Executive**”, “**Group Executive Director**”, “**Non-executive Director**”, “**Participant**”, “**Performance Period**” and “**Release Schedule**” and the provisions of Rules 4, 5, 6, 7, 8, 9, 10 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

### 13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

### 14. DURATION OF THE PLAN

14.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

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## **APPENDIX G – RULES OF THE AEDGE PSP**

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14.2 The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and, if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.

14.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

### **15. TAXES**

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

### **16. COSTS AND EXPENSES OF THE PLAN**

16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent.

16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including, but not limited to, the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

### **17. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including, but not limited to, the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 7.1.3.

### **18. DISCLOSURES IN ANNUAL REPORTS**

The following disclosures (as applicable) will be made by the Company in its annual report to Shareholders for so long as the Plan continues in operation:

- (a) the names of the members of the Committee administering the Plan;
- (b) the information required in the table below in respect of the following Participants of the Plan:
  - (i) directors of the Company;
  - (ii) Controlling Shareholders and their Associates; and
  - (iii) Participants (other than those in paragraphs (i) and (ii) above) who have received Shares pursuant to the Release of Awards granted under the Plan which, in aggregate, represent 5.0% or more of the aggregate of the total number of Shares available under the Plan:

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Name of participant	Aggregate number of Shares comprised in Awards under the Aedge PSP during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards vested to such participant since commencement of Aedge PSP to the end of the financial year under review	Aggregate number of Shares comprised in Awards issued since commencement of the Aedge PSP to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have not been released as at the end of the financial year under review

(c) such other information as may be required by the Catalist Rules or the Act,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included herein.

**19. ABSTENTION FROM VOTING**

Shareholders who are eligible to participate in the Plan are to abstain from voting on any Shareholders' resolution relating to the Plan and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, all Shareholders who are eligible to participate in the Plan shall abstain from voting on the following resolutions, where applicable:

- (a) implementation of the Plan; and
- (b) participation by and grant of Awards to Controlling Shareholders and their Associates.

**20. DISPUTES**

Any disputes or differences of any nature arising hereunder shall be referred to the Committee, and its decision shall be final and binding in all respects.

**21. GOVERNING LAW**

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

**22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT (CHAPTER 53B) OF SINGAPORE**

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore.

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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You are invited to apply and subscribe for the Placement Shares at the Placement Price for each Placement Share subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 PLACEMENT SHARES OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF SHARES WILL BE REJECTED.**
2. Your application for the Placement Shares may only be made by way of printed BLUE Placement Shares Application Forms or such manner and method as the Sponsor, Issue Manager and Placement Agent may in their absolute discretion deem appropriate.
3. **YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE PLACEMENT SHARES.**
4. **You (not being an approved nominee company) are allowed to submit only one (1) application in your own name for the Placement Shares.**

**If you, being other than an approved nominee company, have submitted an application for Placement Shares in your own name, you should not submit any other application for Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, and the Sponsor, Issue Manager and Placement Agent.**

**Joint applications for the Placement Shares shall be rejected. Multiple applications for Placement Shares shall be liable to be rejected at the discretion of our Company and the Sponsor, Issue Manager and Placement Agent. If you submit or procure submissions of multiple share applications for Placement Shares, you may be deemed to have committed an offence under the Penal Code (Chapter 224) of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications, except in the case of applications by approved nominee companies where such applications are made on behalf of a different beneficiary, may be rejected at the discretion of our Company and the Sponsor, Issue Manager and Placement Agent.**

5. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole proprietorships, partnerships, chops or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Forms) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of application.
6. We will not recognise the existence of a trust. Any application by a trustee or trustees must therefore be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or companies after complying with paragraph 7 below.
7. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, and insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.
8. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected. If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form, your application is liable to be rejected. Subject to paragraph 9

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below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality and permanent residence status provided in your Application Form differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.

9. **If your address as stated in the Application Form is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from CDP will be sent to your address last registered with CDP.**
10. **Our Company and the Sponsor, Issue Manager and Placement Agent reserve the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or with the terms and conditions of this Offer Document or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance which is not honoured upon the first presentation.**
11. **Our Company and the Sponsor, Issue Manager and Placement Agent further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.**
12. Our Company and the Sponsor, Issue Manager and Placement Agent reserve the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision with regard hereto will be entertained. In deciding the basis of allotment which shall be at the discretion of our Company, due consideration will be given to the desirability of allotting the Placement Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.
13. Subject to your provision of a valid and correct CDP Securities Account Number, share certificates will be registered in the name of CDP or its nominee and will be forwarded only to CDP at your own risk. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of Placement Shares allotted to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company and the Sponsor, Issue Manager and Placement Agent. You irrevocably authorise CDP to complete and sign on your behalf, as transferee or renounee, any instrument of transfer and/or documents required for the issue of the Placement Shares allotted to you.
14. In the event that our Company lodges a supplementary or replacement offer document ("**Relevant Document**") pursuant to the SFA or any applicable legislation in force from time to time prior to the close of the Placement, and the Placement Shares have not been issued, we shall either:
  - (a) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the Relevant Document, and provide you with an option to withdraw your application and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document;
  - (b) within seven (7) days of the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to withdraw your application; or

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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- (c) treat your application as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and refund your application monies for the Placement Shares (without interest or any share of revenue or other benefits arising therefrom and at your own risk) within seven (7) days from the lodgement of the Relevant Document.

Where you have notified our Company within 14 days from the date of lodgement of the Relevant Document of your wish to exercise your option under paragraph 14(a) or (b) above to withdraw your application, we shall pay to you all monies paid by you on account of your application for the Placement Shares, without interest or any share or revenue or other benefit arising therefrom and at your own risk, within seven (7) days from the receipt of such notification and documents and you shall not have any claim against our Company and the Sponsor, Issue Manager and Placement Agent and the issue of those Placement Shares shall be deemed to be void.

In the event that at any time at the time of the lodgement of the Relevant Document, the Placement Shares have already been issued but trading has not commenced, we shall either:

- (d) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the Relevant Document, and provide you with an option to return to our Company the Placement Shares which you do not wish to retain title in and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or who have arranged to receive, a copy of the Relevant Document;
- (e) within seven (7) days from the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to return to our Company the Placement Shares which you do not wish to retain title in; or
- (f) treat the issue of the Placement Shares as void, in which case the issue shall be deemed void, and refund your payment for the Placement Shares (without interest or any share of revenue or other benefits arising therefrom and at your own risk) within seven (7) days from the lodgement of the Relevant Document.

An applicant who wishes to exercise his option under paragraph 14(d) or (e) above to return the Placement Shares issued to him shall, within 14 days from the date of lodgement of the Relevant Document, notify our Company of this and return all documents, if any, purporting to be evidence of title of those Placement Shares, whereupon we shall within seven (7) days from the receipt of such notification and documents, pay to him all monies paid by him for those Placement Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk, and you will not have any claim against us and the Sponsor, Issue Manager and Placement Agent and the issue of those Placement Shares shall be deemed to be void.

Additional terms and instructions applicable upon the lodgement of the Relevant Document, including instructions on how you can exercise the option to withdraw, may be found in the Relevant Document.

- 15. You (i) consent to the collection, use and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, Securities Account number, share application amount, share application details and other personal data (“**Personal Data**”) by the Share Registrar, CDP, Securities Clearing and Computer Services (Pte) Ltd (“**SCCS**”), SGX-ST, our Company, the Sponsor, Issue Manager and Placement Agent and/or other authorised operators (the “**Relevant Persons**”) for the purpose of facilitating your application for the Placement Shares, (ii) consent that the Relevant Persons may disclose or share Personal Data with third parties who provide necessary services to the Relevant Persons, such as service providers working for them and providing services such as hosting and maintenance services, delivery services, handling of payment transaction, and consultants and professional advisers,

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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(iii) consent that the Relevant Persons may transfer your personal data to any location outside of Singapore in order for them to provide the requisite support and services in connection with the Placement Shares, and (iv) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Persons, you have obtained the consent of the beneficial owners to paragraphs (i), (ii) and (iii) and that any disclosure of Personal Data to our Company is in compliance with applicable law (collectively, the “**Personal Data Privacy Terms**”). If any Personal Data is transferred to a country or territory outside of Singapore, the Relevant Persons will ensure that the recipient of the Personal Data provides a standard of protection that is comparable to the protection which Personal Data enjoys under the laws of Singapore, and where these countries or territories do not have personal data protection laws which are comparable to that in Singapore, the Relevant Persons will enter into legally enforceable agreements with the recipients to ensure that they protect the Personal Data to the same standard as required under the laws of Singapore.

16. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Placement Shares allotted to you pursuant to your application, to our Company and the Sponsor, Issue Manager and Placement Agent and, any other parties so authorised by the foregoing persons.
17. Any reference to “you” or the “applicant” in this section shall include an individual, a corporation, an approved nominee company and trustee applying for the Placement Shares by way of a Placement Shares Application Form, or such other forms of application as the Sponsor, Issue Manager and Placement Agent deem appropriate.
18. By completing and delivering an Application Form in accordance with the provisions of this Offer Document, you:
  - (a) irrevocably offer, agree and undertake to subscribe for the number of Placement Shares specified in your application (or such smaller number for which the application is accepted) at the Placement Price for each Placement Share and agree that you will accept such Placement Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Offer Document and the Constitution of our Company for application;
  - (b) agree that the aggregate Placement Price for the Placement Shares applied for is due and payable to our Company upon application;
  - (c) (i) consent to the collection, use, processing and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, CDP Securities Account number, share application amount, share application details, the outcome of your application (including the number of Placement Shares allotted to you pursuant to your application), and other personal data (“**Personal Data**”) by the Share Registrar, CDP, Securities Clearing and Computer Services (Pte.) Ltd (“**SCCS**”), the SGX-ST, our Company, the Sponsor, Issue Manager and Placement Agent and/or other authorised operators (the “**Relevant Persons**”) for the purpose of facilitating and processing your application for the Placement Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules and/or guidelines (collectively, the “**Purposes**”) and warrant that such Personal Data is true, accurate and correct; (ii) consent that the Relevant Persons may disclose or share the Personal Data with third parties who provide necessary services to the Relevant Persons, such as service providers working for them and providing services such as hosting and maintenance services, delivery services, handling of payment transactions, and consultants and professional advisers; (iii) consent that the Relevant Persons may transfer Personal Data to any location outside of Singapore in order for them to provide the requisite support and services in connection with the Placement Shares; (iv) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Persons for the Purposes, you have obtained the consent of the beneficial owner(s) to paragraphs 18(c)(i), (ii) and (iii) and that any disclosure

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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of the Personal Data to the Relevant Persons is in compliance with all applicable laws; (v) agree that the Relevant Persons may do anything or disclose any Personal Data or matters without notice to you if our Company or the Sponsor, Issue Manager and Placement Agent considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body; and (vi) agree that you will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant Persons shall be entitled to enforce this indemnity collectively, the “**Personal Data Privacy Terms**”);

- (d) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company and the Sponsor, Issue Manager and Placement Agent in determining whether to accept your application and/or whether to allot any Placement Shares to you; and
  - (e) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company and the Sponsor, Issue Manager and Placement Agent will infringe any such laws as a result of the acceptance of your application.
19. Our acceptance of applications will be conditional upon, *inter alia*, our Company and the Sponsor, Issue Manager and Placement Agent being satisfied that:
- (a) permission has been granted by the SGX-ST to deal in and for quotation for all our existing Shares and the Placement Shares on a “when-issued” basis on Catalyst;
  - (b) the Sponsorship and Management Agreement and the Placement Agreement referred to in the section entitled “General and Statutory Information – Sponsorship, Management and Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine; and
  - (c) the Authority or any other competent authority, has not served a stop order (“**Stop Order**”) which directs that no or no further shares to which this Offer Document relates be allotted.
20. Where the SGX-ST, acting as agent on behalf of the Authority, issued a Stop Order pursuant to Section 242 of the SFA and applications to subscribe for the Placement Shares to which this Offer Document relates have been made prior to the Stop Order, and:
- (a) where the Placement Shares have not been issued to the applicants, the applications shall be deemed to have been withdrawn and cancelled and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the Placement Shares without interest or any share of revenue or other benefit arising therefrom; or
  - (b) where the Placement Shares have been issued to the applicants, the SFA provides that the issue of the Placement Shares shall be deemed to be void and our Company shall:
    - (i) if documents purposing to evidence title to the Placement Shares have been issued to you, within seven (7) days from the date of the Stop Order, inform you to return such documents to us within 14 days from that date; and within seven (7) days from the date of the receipt of those documents or the date of the Stop Order, whichever is later, pay you all monies paid by you for the Placement Shares; or
    - (ii) if no such documents have been issued to you, within seven (7) days from the date of the Stop Order, pay to you all monies paid by you for the Placement Shares.

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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Such monies paid in respect of your application will be returned to you at your own risk, without interest or any share or revenue or other benefit arising therefrom, and you will not have any claim against us, the Sponsor, Issue Manager and Placement Agent.

This shall not apply where only an interim Stop Order has been served.

21. In the event that an interim Stop Order in respect of the Placement Shares is served by the SGX-ST, acting as an agent on behalf of the Authority or other competent authority, no Placement Shares shall be issued until the SGX-ST acting as agent on behalf of the Authority revokes the interim Stop Order.
22. The SGX-ST, acting as agent on behalf of the Authority or other competent authority, is not able to serve a Stop Order in respect of the Placement Shares if the Placement Shares have been issued and listed on a securities exchange and trading in them has commenced.
23. In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same through an SGXNET announcement to be posted on the Internet at the SGX-ST website <http://www.sgx.com> and in a local English newspaper.
24. Our Company will not hold any application in reserve.
25. All payments in respect of any application for the Placement Shares, and all refunds where (a) an application is rejected or accepted in part only, or (b) the Placement does not proceed for any reason, shall be made in Singapore dollars.
26. Our Company will not allot Shares on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting on behalf of the Authority.
27. Additional terms and conditions for applications by way of Application Forms are set out in the section entitled “Additional Terms and Conditions for Applications Using Application Forms” in this Appendix H of this Offer Document.

### ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out under “**TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**” of this Offer Document and the Constitution of our Company.

1. Your application for the Placement Shares must be made using the Application Forms for Placement Shares, accompanying and forming part of this Offer Document. **ONLY (1) APPLICATION** should be enclosed in each envelope.

We draw your attention to the detailed instructions contained in the Application Forms and this Offer Document for the completion of the Application Forms which must be carefully followed. **Our Company and the Sponsor, Issue Manager and Placement Agent reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances which are not honoured upon this first presentation.**

2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.

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3. All spaces in the Application Forms, except those under the heading “**FOR OFFICIAL USE ONLY**”, must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full names as it appears in your identity cards (if you have such identification document) or in your passports and, in the case of a corporation, in your full name as registered with a competent authority. If you are a non-individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your constitution or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your constitution or equivalent constitutive documents must be lodged with our Company’s Share Registrar. Our Company reserves the right to require you to produce documentary proof of identification for verification purposes.
5.
  - (a) You must complete Sections A and B on page 2 of the Application Form and sign on page 1 of the Application Form.
  - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C on page 2 of the Application Form with particulars of the beneficial owner(s).
  - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50.0 per cent. of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0 per cent. of the issued share capital of or interests in such corporation.
7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of Placement Shares applied for, in the form of a **BANKER’S DRAFT** or **CASHIER’S ORDER** drawn in Singapore currency on a bank in Singapore, made out in favour of “**AEDGE SHARE ISSUE ACCOUNT**” crossed “**A/C PAYEE ONLY**”, with your name, CDP Securities Account Number and address written clearly on the reverse side. **APPLICATIONS NOT ACCOMPANIED BY ANY PAYMENT OR ACCOMPANIED BY ANY OTHER FORM OF PAYMENT WILL NOT BE ACCEPTED.** We will reject remittances bearing “**NOT TRANSFERABLE**” or “**NON TRANSFERABLE**” crossings. No acknowledgement or receipt will be issued by our Company or the Sponsor, Issue Manager and Placement Agent for applications and application monies received.
8. The completed and signed Application Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope. You must affix adequate postage (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk to Aedge Group Limited c/o Tricor Barbinder Share Registration**

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**Services (a division of Tricor Singapore Pte. Ltd.) 80 Robinson Road, #11-02, Singapore 068898, to arrive by 12.00 noon on 10 December 2020 or such other time as we may, in consultation with the Sponsor, Issue Manager and Placement Agent, decide. Local Urgent Mail or Registered Post must NOT be used. ONLY ONE (1) APPLICATION** should be enclosed in each envelope. No acknowledgment or receipt will be issued for any application or remittance received.

9. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and application monies have been received in the designated share issue account. In the event that the Placement is cancelled by our Company following the termination of the Sponsorship and Management Agreement and/or the Placement Agreement or the Placement does not proceed for any reason, the application monies received will be refunded (without interest or any share of revenue or any other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within five (5) Market Days of the termination of the Placement. In the event that the Placement is cancelled by our Company following the issuance of a Stop Order by the SGX-ST, acting as an agent on behalf of the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within 14 Market Days from the date of the Stop Order.
10. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
11. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of our Company, our Directors, the Sponsor, Issue Manager and Placement Agent and/or any other party involved in the Placement, and if, in any such event, our Company and/or the Sponsor, Issue Manager and Placement Agent does not receive your Application Form, you shall have no claim whatsoever against our Company, the Sponsor, Issue Manager and Placement Agent and/or any other party involved in the Placement for the Placement Shares applied for or for any compensation, loss or damage.
12. By completing and delivering the Application Form, you agree that:
  - (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at 12.00 noon on 10 December 2020 or such other time or date as our Directors may, in consultation with the Sponsor, Issue Manager and Placement Agent, decide and by completing and delivering the Application Form, you agree that:
    - (i) your application is irrevocable; and
    - (ii) your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
  - (b) neither our Company, the Sponsor, Issue Manager and Placement Agent nor any party involved in the Placement shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any notes referred to in paragraph 11 above or to any cause beyond their respective control;
  - (c) all applications, acceptances and contracts resulting therefrom under the Placement shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

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## **APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**

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- (d) in respect of the Placement Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
- (e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
- (f) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Sponsor, Issue Manager and Placement Agent or other authorised operators involved in the Placement shall have any liability for any information not so contained;
- (g) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document; and
- (h) you irrevocably agree and undertake to subscribe for the number of Placement Shares applied for as stated in the Application Form or any smaller number of such Placement Shares that may be allotted to you in respect of your application. In the event that our Company decides to allot any smaller number of Placement Shares or not to allot any Placement Shares to you, you agree to accept such decision as final.



**AEDGE GROUP LIMITED**

(Company Registration No.: 201933214E)  
(Incorporated in the Republic of Singapore on 3 October 2019)

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