



DATAPULSE
TECHNOLOGY

ANNUAL REPORT | 2021





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CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of Datapulse Technology Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**"), I am pleased to present to you the Annual Report for the financial year ended 31 July 2021 ("**FY2021**").

FY2021 continues to be a challenging year for the Group. Since the outbreak of the COVID-19 pandemic more than a year ago, the situation remains uncertain amid rising concerns over the Delta variant of the virus. Despite the ongoing vaccination programmes around the world, many countries are still struggling to control the pandemic with continued lockdowns or tighter restrictions imposed.

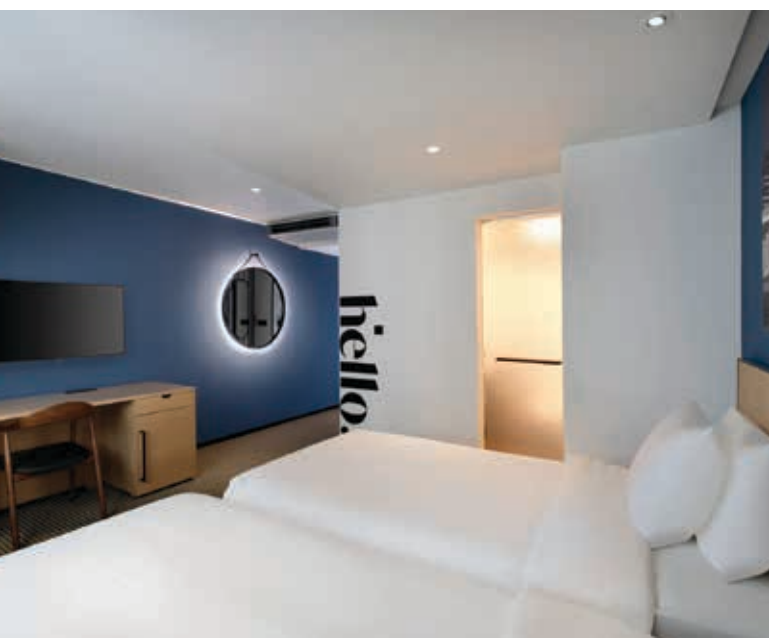
Amid tighter social-distancing restrictions and minimal inbound tourism in Seoul, South Korea, we swiftly pivoted our hotel Travelodge Myeongdong City-Hall ("**TLMC**") into a residential style accommodation since November 2020, focusing on the domestic long stay segment. Our change in business strategy successfully enabled the Group to come out with a reduced loss. TLMC consistently outperforms the neighbouring hotels within the vicinity. With the change to the residential style accommodation, we were also able to further streamline operating costs by reducing the manning level at the hotel, taking into account that room services are no longer provided during this period.

With regards to the Group's 2 minority hotel investments, the hotel located in Singapore is currently undergoing renovations which is expected to be completed by the first quarter of 2022. The hotel located in Myeongdong Euljiro was converted into a COVID-19 quarantine facility since July 2021 and is expected to continue operating in the same manner over the next few months, depending on the COVID-19 situation in Seoul.

The cost-containment measures at the corporate level continue to be in place which includes reduced Directors' fees for FY2021 and reduced compensation packages for management staff.

DIVIDEND

Given the Group's current loss position for FY2021 and the uncertainty surrounding COVID-19, the Group has to take on a prudent approach with regards to cost containment measures and conserving cash to fund its operations. The Board is not recommending the payment of a dividend for FY2021.



CHAIRMAN'S STATEMENT



BUSINESS OUTLOOK

The Group's hotel operations in Seoul, South Korea is expected to improve over the next reporting period. The Korean government has announced the lifting of stringent anti-coronavirus curbs on social gatherings, as the country prepares to switch to a "living with COVID-19" strategy amid rising vaccination levels. International travel will also likely pick up as border restrictions ease over time. As a start, people vaccinated against Covid-19 will be able to travel between Singapore and South Korea without quarantine from 15 November 2021.

In the interim, the Group will continue to closely monitor the situation in Seoul and optimise its hotel operations to maximise hotel revenue when the market picks up. Proactive cost management initiatives continue to be in place such as shortened work hours, headcount reductions and tapping on government subsidies related to payroll and business operations, to mitigate the impact of COVID-19.

Looking ahead, the Group will actively seek and evaluate investment opportunities in spite of the COVID-19 pandemic. We believe the COVID-19 situation will continue to improve and it may be an opportune time to acquire undervalued businesses and assets with strong recovery potential. We will look into leveraging on our expertise and resources in the hospitality sector to achieve our investment objectives.

APPRECIATION

On behalf of the Board of Directors, I would like to extend my sincere appreciation to our shareholders, business partners, and all our stakeholders for their support in this challenging times. I would also like to thank our management team for their hard work and dedication throughout the year as they continue to ride through the COVID-19 crisis together with the Group.

AW CHEOK HUAT
NON-INDEPENDENT
NON-EXECUTIVE CHAIRMAN

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

The Group's revenue is contributed by 3 business segments; namely the hotel operations, asset management and investment trading segments.

The Group recorded total revenue of \$1.0 million in year ended 31 July 2021 ("FY2021"). The hotel operations business contributed \$0.6 million, while asset management fees and investment income each contributed \$0.2 million.

Hotel operations revenue decreased from \$1.9 million in year ended 31 July 2020 ("FY2020") to \$0.6 million in FY2021 as the COVID-19 cases in Seoul, South Korea, remain high throughout the financial year with minimal inbound tourism. In the short to mid-term, the hotel will continue to focus on offering residential style accommodation for long stay guests as the Group closely monitors the COVID-19 situation. Asset management fees decreased from \$0.5 million in FY2020 to \$0.2 million in FY2021 due to the apportionment of income earned for FY2020 and FY2021.

Other income for the Group amounted to \$0.7 million for FY2021, consisting mainly of interest income from banks and grant income.

The decrease in staff costs from \$1.9 million in FY2020 to \$1.3 million in FY2021 was mainly due to the reduction in hotel head counts and reduced compensation for management at the corporate office. Depreciation cost of \$1.3 million for FY2021 came mainly from depreciation charge on the freehold building, renovation works and right-of-use assets. Finance costs of \$0.9 million was mainly from the interest expense arising from term loan facility obtained for the acquisition of TLMC.

Hotel operating costs decreased from \$1.3 million in FY2020 to \$0.3 million in FY2021 as the hotel was temporarily closed since May 2020 and converted into the residential style accommodation which incurred significantly lower operating costs.

Other operating expenses decreased from \$2.1 million in FY2020 to \$1.5 million in FY2021 mainly due to cost savings from professional fees incurred by the Group as there were no new hotel acquisitions in the year and operations has scaled down significantly.

Tax expense of \$0.1 million relates to the recognition of tax liabilities for certain subsidiaries in the Group.

As a result of the above, the Group's loss attributable to shareholders was \$3.7 million in FY2021 against a loss of \$5.8 million in FY2020. This \$3.7 million loss included a one-off impairment loss of \$1.9 million on TLMC arising from the impact of COVID-19 on the global hospitality sector.

FINANCIAL POSITION

Property, plant and equipment increased from \$44.2 million as at 31 July 2020 to \$46.1 million as at 31 July 2021 due to foreign exchange movement and capitalised renovation costs for TLMC of approximately \$2.9 million, which was partially offset by depreciation charge of \$1.0 million.

Right-of-use assets of \$0.1 million as at 31 July 2021 mainly relates to the Group's office lease.

Investment securities of \$3.1 million as at 31 July 2021 relate to a 15% minority interest in a hotel in Seoul, South Korea, and a 5% minority interest in a hotel in Singapore.



REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

Long-term receivables of \$5.6 million as at 31 July 2021 mainly relate to loans to investee companies in which the Group has minority interests in.

During the year, the Group has written off deferred tax assets of \$0.3 million in relation to prior year unutilised tax losses.

The trade and other receivables of \$1.7 million as at 31 July 2021 mainly comprised of deposit pledged to bank, government grant receivable and trade-related deposits & prepayments.

Investment securities of \$4.2 million as at 31 July 2021 relates to quoted investments that are held for trading and carried at fair value through profit or loss.

Trade and other payables decreased from \$1.2 million as at 31 July 2020 to \$0.7 million as at 31 July 2021 due to the payment of accrued expenses during the year.

The decrease in current tax payable as at 31 July 2021 was due to the write-back of tax expense that was overprovided for in prior years.

Current loan and borrowings mainly relate to the term loan obtained for the acquisition of TLMC. This amount was reclassified from non-current to current as the repayment period is within one year.

Lease liabilities (current & non-current) of \$0.1 million relates to the accounting for the right-of-use assets of the Group.

Non-current borrowings relate to a term loan facility secured by the Group amounting to S\$2 million.

CASH FLOWS

Net cash used in operating activities of \$2.0 million was mainly due to the operating losses in FY2021. Proceeds from the sale of short-term investments of \$0.7 million was offset by changes in working capital and tax paid during the year.

Net cash used in investing activities of \$1.8 million for FY2021 was mainly due to additions to property, plant and equipment of \$1.9 million, which was partly offset by interest received of \$0.1 million.

Net cash used in financing activities of \$0.8 million for FY2021 was mainly due to (i) repayment of short-term borrowings of \$1.7 million; (ii) interest payments of \$0.9 million; (iii) payment of lease obligations of \$0.2 million during the period, and (iv) obtaining a loan facility of \$2 million for working capital purposes.

As a result of the above, the Group's cash and bank balances decreased from \$33.9 million as at 31 July 2020 to \$29.3 million as at 31 July 2021.



FINANCIAL HIGHLIGHTS

	2017	2018	2019	2020	2021
FINANCIAL PERFORMANCE					
Revenue (\$'000) <i>(note 1)</i>	12,678	8,920	3,148	2,714	1,040
Profit/(loss) for the year (\$'000)	3,029	34,480	200	(5,752)	(3,665)
Profit/(loss) attributable to owners of the Company (\$'000)	3,029	34,480	200	(5,752)	(3,665)
Earnings/(loss) per share (cents)	1.38	15.74	0.09	(2.63)	(1.67)
Return on assets (%) <i>(note 2)</i>	5.49	50.07	0.21	(5.79)	(3.96)
Return on equity (%) <i>(note 2)</i>	6.23	52.61	0.25	(7.77)	(5.39)
FINANCIAL POSITION					
Total assets (\$'000)	52,669	85,072	103,558	95,131	90,148
Total liabilities (\$'000)	2,750	3,907	25,709	24,838	24,538
Total equity/shareholders' funds (\$'000)	49,919	81,165	77,849	70,293	65,610
Net current assets (\$'000)	47,557	78,833	48,282	35,133	12,708
Net asset value per share (cents)	22.79	37.05	35.54	32.09	29.95
CASH FLOW					
Net cash from/(used in) operating activities (\$'000)	(737)	(5,193)	(11,250)	1,799	(2,014)
Net cash and bank balances (\$'000) <i>(note 3)</i>	39,522	81,061	14,974	11,558	6,214
Net cash per share (cents)	18.04	37.00	6.84	5.28	2.84
DIVIDENDS					
Total dividend per share (cents)	0.50	2.00	0.50	Nil	Nil
Total dividend declared (\$'000) <i>(note 4)</i>	1,095	4,381	1,095	Nil	Nil
Dividend payout (%)	36.20	12.70	547.70	Nil	Nil
Dividend yield (%) <i>(note 5)</i>	1.69	7.41	2.44	Nil	Nil
SHARE PRICE					
Highest (cents)	28.00	44.00	30.00	28.00	28.00
Lowest (cents)	19.80	26.50	21.00	16.00	16.00
Average (cents)	22.29	31.45	26.14	20.50	18.54
Weighted average number of shares (million)	219	219	219	219	219
Average market capitalisation (\$'million) <i>(note 6)</i>	49	69	57	45	41
Average shareholders' funds (\$'million)	49	66	80	74	68
Market value added/(market discount) (\$'million) <i>(note 7)</i>	0	3	(23)	(29)	(27)

Note 1:

Figures comprised of revenue from continuing and discontinued operations.

Note 2:

Calculations of return on assets and return on equity are based on profit for the year divided by the average total assets and average total equity, respectively.

Note 3:

Calculation of net cash and bank balances is based on cash and bank balances less interest bearing borrowings.

Note 4:

Calculation of total dividend declared is based on the sum of interim, final and special dividends declared, multiply by the number of shares on the date of announcement of the respective full year results.

Note 5:

Calculation of dividend yield is based on total dividend per share divided by the closing share price on the date of announcement of the respective full year results.

Note 6:

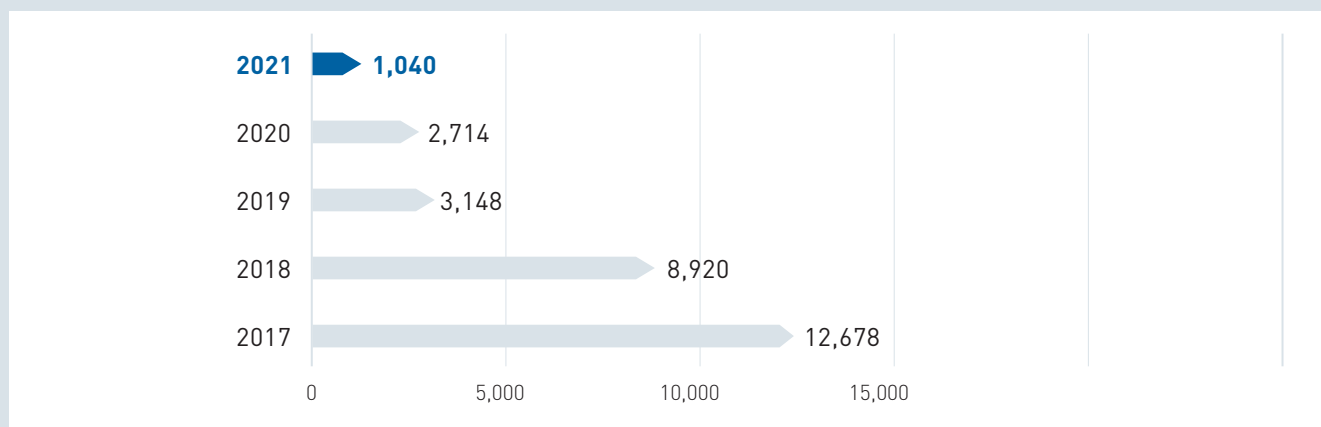
Calculation of average market capitalisation is based on weighted average number of shares multiplied by the average share price for the year.

Note 7:

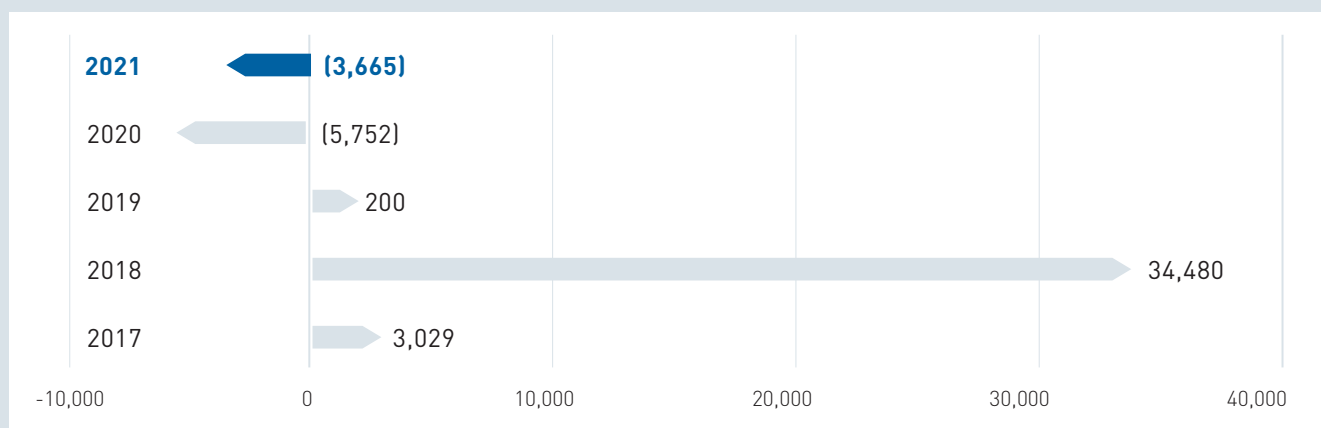
Calculation of market value/(market discount) added is based on the excess/(deficit) of the average market capitalisation over average shareholders' funds for the year.

FINANCIAL HIGHLIGHTS

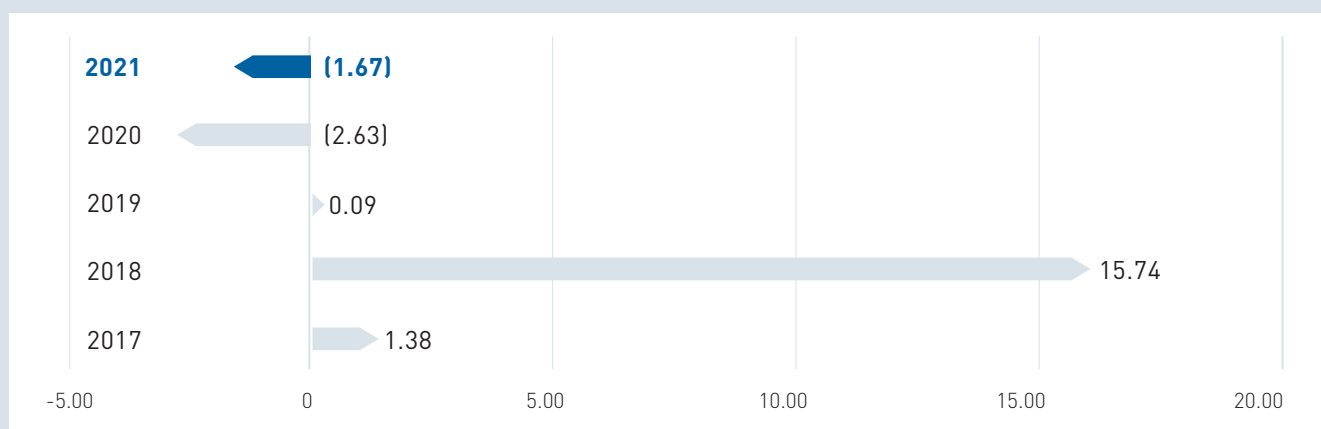
REVENUE (\$'000)



PROFIT/(LOSS) FOR THE YEAR (\$'000)



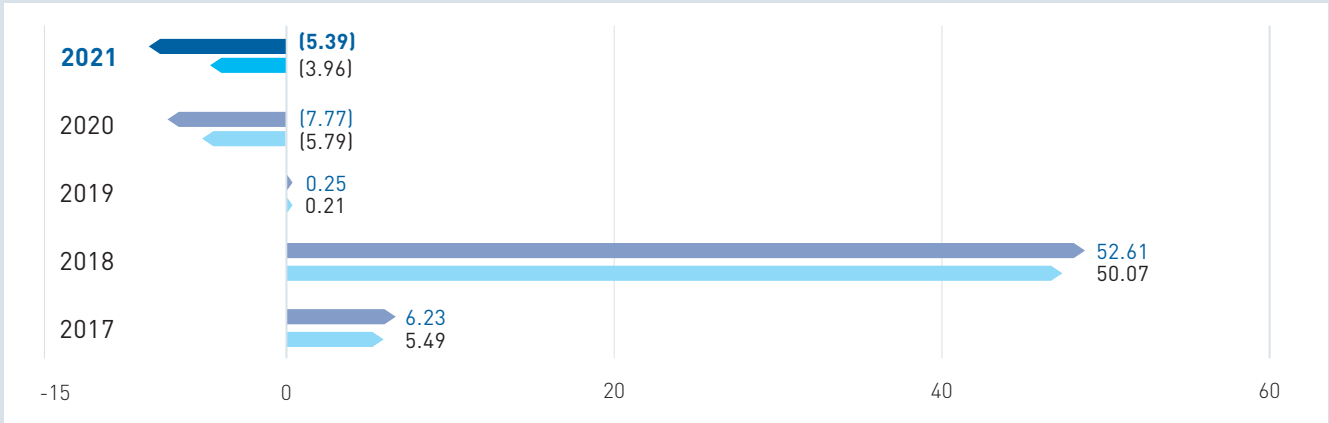
EARNINGS/(LOSS) PER SHARE (CENTS)



FINANCIAL HIGHLIGHTS

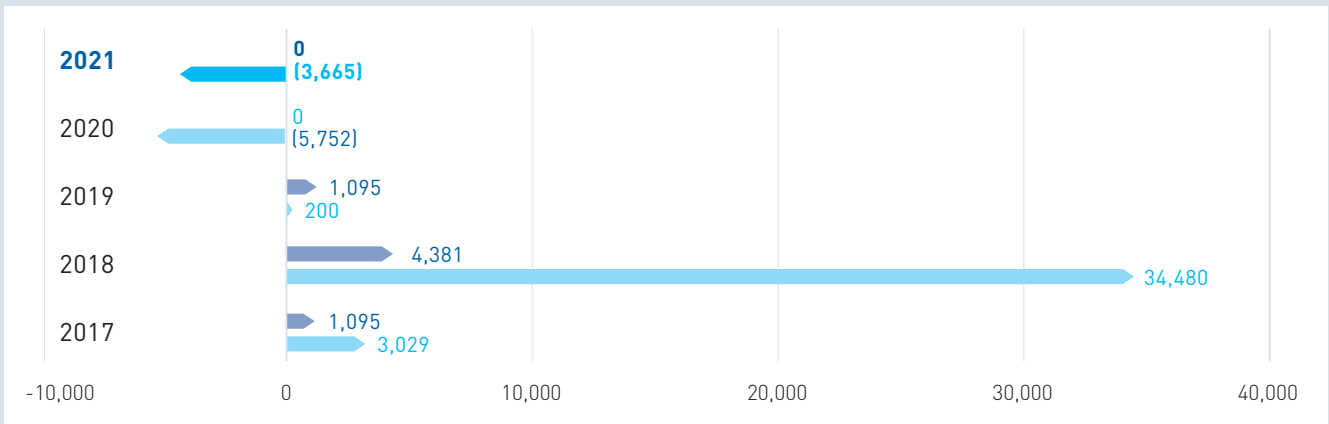
RETURN RATIOS (%)

return on assets (note 2) return on equity (note 2)

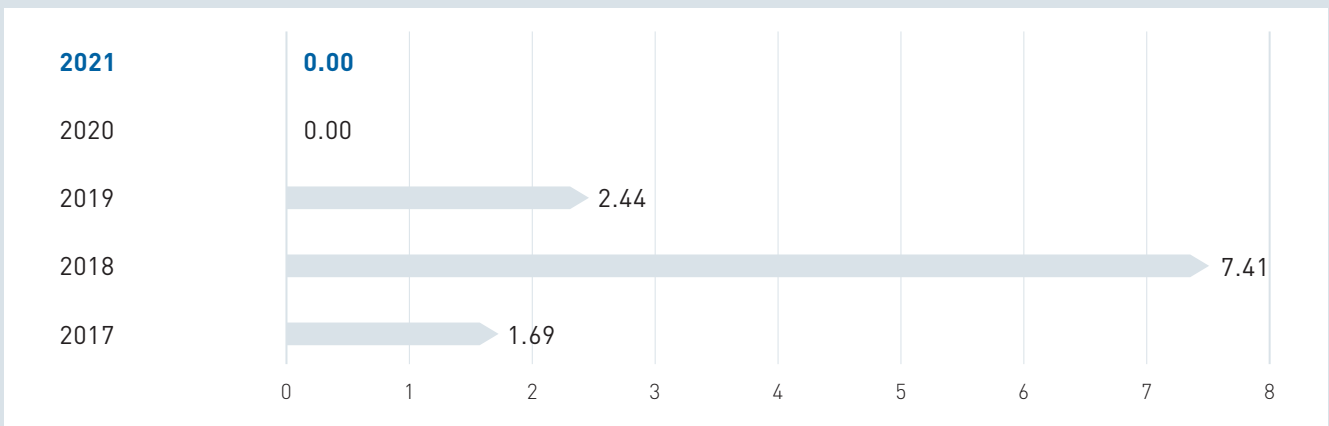


PROFIT/(LOSS) AND DIVIDEND DECLARED (\$'000)

profit/(loss) for the year dividend declared



DIVIDEND YIELD (%)



BOARD OF DIRECTORS

AW CHEOK HUAT

Chairman of the Board and Non-Independent
Non-Executive Director

Mr Aw Cheok Huat was appointed to the Board on 15 August 2018 as a Non-Independent and Non-Executive Director and was last re-elected on 27 November 2020. He is Chairman of the Board of Directors.

Mr Aw's background is in mergers and acquisitions and corporate restructuring. In addition, he has some 25 years of experience in the hospitality industry.

Mr Aw holds a Master of Commerce from the University of New South Wales and a Bachelor of Accountancy from the National University of Singapore.

TEO CHOON KOW @ WILLIAM TEO

Lead Independent Director

Mr Teo Choon Kow @ William Teo was appointed to the Board on 25 August 2019 as Lead Independent Director and a member of the Nominating Committee. He was last re-elected on 13 November 2019.

Mr Teo is currently a consultant providing corporate advisory services and is an Independent Director of Wee Hur Holdings Ltd, Kitchen Culture Holdings Ltd, PSL Holdings Limited and Axington Inc. He was the Vice-President of Walden International Investment Group from 1997 to 2004 where he was responsible for its investment function. From 1989 to 1997, Mr Teo was a Senior Manager with Coopers & Lybrand Management Consultants Pte Ltd, involved in corporate finance work.

Mr Teo holds a Masters in Management from Asian Institute of Management, Philippines. He is also a fellow member of the Association of Chartered Certified Accountants ("FCCA") and a member of the Institute of Singapore Chartered Accountants ("ISCA").

BOARD OF DIRECTORS

LAU YAN WAI

Independent Non-Executive Director

Mr Lau Yan Wai was appointed to the Board on 31 January 2020 as an Independent Non-Executive Director. He was last re-elected on 27 November 2020.

Mr Lau is currently a Partner of Donaldson & Burkinshaw LLP in Singapore and practices in the field of corporate and securities law. He also serves as Independent Director of MS Holdings Limited and Sen Yue Holdings Limited, which are listed on Catalist Board. Mr Lau started practice as an Associate in the corporate and conveyancing department of Jeyaratnam & Chong, a law firm based in Malaysia in 2003 and left the firm in 2004. He joined KhattarWong LLP Singapore as a Foreign Lawyer in 2005 and became a Partner of the firm in 2010.

Mr Lau was a Partner at RHTLaw Taylor Wessing LLP as well as a registered professional with RHT Capital Pte Ltd where he had undertaken continuing sponsor activities for several companies listed on Catalist from 2011 to 2014. He was a Director of Equity Law LLC from 2014 to 2019.

Mr Lau graduated with a Bachelor of Laws from the University of Sheffield in 1999 and a Master of Laws (Chinese Law) from the National University of Singapore in 2005. He also holds a Master of Science in Information Systems from the University of Sheffield. Mr Lau is qualified to practise in Singapore and West Malaysia. He is a member of the Singapore Academy of Law, the Law Society of Singapore and the Malaysian Bar.

CHOONG CHEE PENG BERT

Independent Non-Executive Director

Mr Choong Chee Peng Bert was appointed to the Board on 25 August 2019 as an Independent Non-Executive Director and was re-elected on 13 November 2019.

Mr Choong founded Nobel Design Holdings Ltd, a renowned industry leader in lifestyle furnishing in 1982 and was the Executive Chairman of the Company till 2013.

Mr Choong previously held directorships in Shelford Terraces Pte Ltd, ACT-Nobel Homes Pte Ltd, Astrid Hill Residences Pte Ltd, JBT Investments Pte Ltd and Urban Lofts Pte Ltd.

Mr Choong is currently the Director of International Furniture Fair Singapore Pte Ltd. In addition, he is the Presidential Advisor of the Singapore Furniture Industries Council since 2002.

BOARD OF DIRECTORS

LEE KAM SENG

Executive Director

Mr Lee Kam Seng was appointed to the Board on 14 June 2019 as an Executive Director. He was last re-elected on 13 November 2019.

Mr Lee joined the Company on 1 December 2015 as Chief Financial Officer and was appointed as Company Secretary on 3 December 2017. He was the Interim Chief Executive Officer from 10 September 2018 to 13 June 2019.

Mr Lee is a fellow member of the Institute of Singapore Chartered Accountants and the Association of Chartered Certified Accountants ("U.K.").

He has more than 35 years of experience in the construction, real estate and trading industries, both in private and public listed companies.





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SUSTAINABILITY REPORT 2021

BOARD STATEMENT

Dear Stakeholders,

The Board of Directors of Datapulse Technology Limited (the “**Board**”) is pleased to present our fourth Sustainability Report for the financial year ended 31 July 2021, which highlights the progress and achievements of our organisation over the previous 12 months, with particular focus on our commitment to work alongside with our value stakeholders to build a sustainable business based on our resilience, adaptability and innovation.

We believe sustainable business practices are intrinsic to our organisational vision and mission. The Group recognises the importance of delivering value through responsible and positive contributions to both the environment and society. As a result, we focus the sustainability strategy on the management of Environmental, Social and Governance (“**ESG**”) factors that are significant to our business.

Global challenges such as corruptions, global warming, gender inequalities, data privacy issues and pandemics have changed the way businesses operate. We recognised that we have a role to play in seeking solutions to these challenges and we are accountable for the impact on the environment, our stakeholders and for the future generations. Therefore, ensuring that sustainable practices are incorporated into our business operations are key and we believe that sustainability is vital to our continuous growth and success.

We are pleased to share our growth in building a sustainable business by identifying and managing the material factors. In FY2021 we made clear progress in implementing our sustainability initiatives and achieving our sustainability targets. This demonstrates our firm commitment to sustainable action that is embedded in our corporate culture and into the day-to-day activities of our employees.

Due to the fourth wave of outbreaks since the start of July 2021, the Group’s hotel operations in Seoul, South Korea continue to be adversely affected in terms of demand resulting in low occupancy rates due to the high number of COVID-19 cases reported in the country. International travel will likely not resume for the rest of 2021 due to the travel restrictions imposed around the world. Return to normalcy will be dependent on the level of vaccinations and the easing of travel restrictions. Till the return of international travelers, the Group will continue to focus its efforts on long-stay guests to reduce losses in the next reporting period.

The Group will also continue to put in place cost saving measures, including closing of rooms and facilities and also shortened work hours. Other than cost saving measures and re-assessing our sales strategies to mitigate the impact of COVID-19 on our financial performance, we have also implemented workplace safety measures such as social distancing and work from home arrangement in our corporate office to ensure the safety and well-being of our employees. The Group actively monitors and applies for all available government grants or loans to improve cashflow and reduce the overall losses. Examples of such grants and loans include wage subsidies in Singapore and Korea.

The ESG topics in this report reviewed by the Board and Management is assessed to be material and relevant. The Board and Management shall continue to dedicate leadership and maintain a high standard of sustainability governance to drive continuous and long-term growth for all its stakeholders. The Group will continue to achieve sustainable corporate development by implementing sustainable practices.

Board of Directors

SUSTAINABILITY REPORT 2021



ABOUT DATAPULSE TECHNOLOGY LIMITED

Corporate Profile

Datapulse is listed on Mainboard of the SGX-ST. Our Group's headquarter is located in Singapore and we have made the decision to focus on the property business, particularly the acquisition or investment in hotels and hospitality assets. The Investment Business includes direct or indirect investments and trading of publicly listed securities and instruments, with a key focus on short-to-medium term investments.

Our Group targets gateway cities in Asia as the core markets for our real estate investment objectives, either by way of majority or minority stakes, and either on a standalone basis or in collaboration with selected capital partners. We actively pursue a value-add type investment strategy, identifying undervalued assets situated in prime locations which have the potential for strong operational and physical enhancements. As part of our property investment and asset management business strategy, we plan to build a portfolio of hotels and hospitality assets across the region.



MISSION & VISION

Our mission is to be one of the pre-eminent real estate investment group and a premier provider of asset management services.

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Board of Directors

Aw Cheok Huat,
Chairman and Non-Independent
Non-Executive Director

Teo Choon Kow @ William Teo,
Lead Independent Director

Choong Chee Peng Bert,
Independent Director

Lau Yan Wai,
Independent Director

Lee Kam Seng,
Executive Director

Membership of Association and Awards

As a member of the Singapore Business Federation (“**SBF**”), there are networking opportunities with trade members to identify new business opportunities. Likewise, we provide insights through discussions with fellow members of SBF and establishing important connections with key players in major economies and emerging markets.



External Initiatives

Our Group strives to continue bringing positive social impact to the local communities. As we continue to grow, our Group remains committed in allocating resources and organising community work for our employees to give back to society.

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ABOUT THIS REPORT

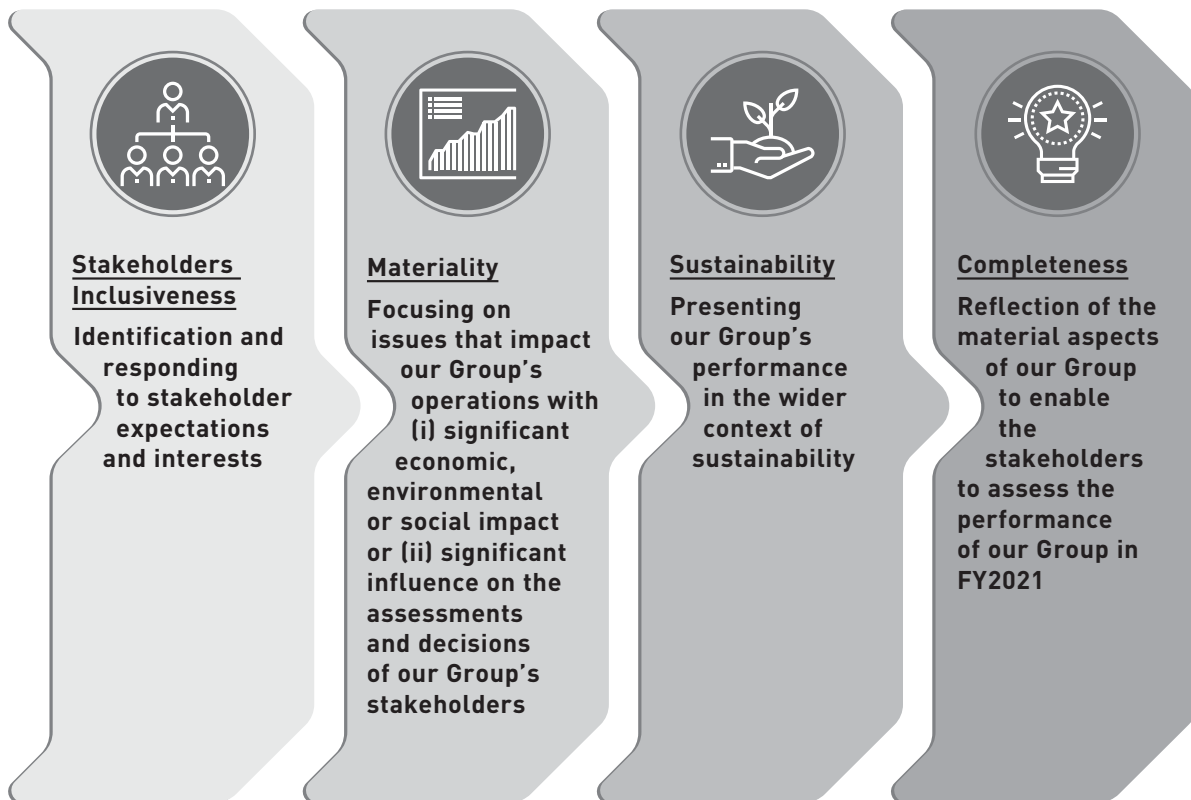
Objective of this Report

This is Datapulse's fourth sustainability report and in the preparation of this report, we continue to adopt a phased disclosure of our sustainability performance which facilitates a strategic review of our material ESG impact and contributions each year – enabling us to track and strengthen our progress. This report adheres to Mainboard Listing Rules 711A and 711B of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and references the internationally recognised Global Reporting Initiative (“**GRI**”) Standards.

In this report, we have outlined the approach and processes in identifying the material ESG aspects of our Group's developments and operations and articulated the application of sustainability practices into our policies, structure, management and operations.

Key Reporting Principles

This report was prepared with reference to key reporting principles in accordance with GRI standards, as outlined below:



SUSTAINABILITY REPORT 2021

Scope of this Report

This report covers ESG data and information from our Group's business activities from 1 August 2020 to 31 July 2021. This report will focus on our Investment Business in Singapore and the Property Business, specifically the hotel operations in Seoul, South Korea. It encompasses the sustainability framework we have followed and how we have managed issues relating to sustainability.

The ESG performance data presented in the report have mainly been extracted from internal information systems and original records to ensure accuracy. The Group has not sought external assurance for this sustainability report but relied on internal verification to ensure the accuracy of data. We strive to continuously improve our data collection and reporting processes.

Accessibility and Feedback

At Datapulse, we value all feedback from our stakeholders that enables us to strengthen sustainability initiatives within the organisation. Please send your comments and suggestions to <http://www.datapulse.com.sg/contact-us/>. Your feedback is vital to us in achieving our goals to build a sustainable and thriving business. As an attempt to promote environmental conservation, there will be no hard copies of this report. This sustainability report is available in our website at <http://www.datapulse.com.sg/investor/annual-report/>.

GOVERNANCE AND SUSTAINABILITY APPROACH

Sustainability Statement

With our vision and corporate values in mind, we aim to integrate sustainability into Datapulse to be methodical and achievable at the Group level. Our Group aims to nurture a culture of sustainability and adopt responsible practices in our operations so as to align our strategy, processes and workflow with sustainability in mind.

The Group has made efforts to seek the opinion of internal and external stakeholders both formally and informally. All in all, the expectations and objectives of our key stakeholders are crucial to building mutually beneficial relationships.

Sustainability Governance Structure

Datapulse remain focused on good corporate governance and ensure that policies and procedures are in place to safeguard against fraud and protect the interests of our stakeholders. The capability of our Board is strengthened through comprehensive assessment by our Independent Directors who possess experiences, knowledge and leadership. The Board continues to oversee the effectiveness of the management, assumes responsibilities for the Group's corporate governance and ensure strategies are in the best interest of the Group and its stakeholders.

Sustainable Value Chain

Our Group believes that creating and maintaining a sustainable value chain is vital to value generation for our Group. As we work with different partners in managing our hotels, we are also aware of the importance of working with like-minded companies that identify and agree with our values and commitment towards sustainability.

We take into consideration factors such as quality and economic value of products or services, business ethics, reputation and commitment to environmental, health and safety standards as part of the criteria when assessing and selecting new business partners. Our business partners should be aligned with our pursuit for sustainable

SUSTAINABILITY REPORT 2021

practices, and this helps to promote a strong business relationship with our partners. The Group adopts a holistic approach in making sure our risk assessment and management processes are in place as it is integral to our value chain management and at the same time, the continuous incorporation and improvement of ESG aspects in our supply chain.

STAKEHOLDER ENGAGEMENT

The Group recognises the importance of effective engagement with our major stakeholders for the benefit to sustain a healthy relationship with them. Effective engagement allows our Group to be better positioned to anticipate and react to evolving challenges and requirements, which will allow our Group to formulate meaningful corporate strategies and to build a sustainable business. We are committed to continue to work closely with stakeholders to address their concerns through our engagements with them. An overview of our approach and expectations of our key stakeholders are set out as below:

Key Stakeholders	Modes of Engagement*	Stakeholders' Expectations
Shareholders	Annual general and extraordinary general meetings, circulars to shareholders, announcements	Profitability, transparency, timely reporting and announcements, ethical business practices
Board of Directors	Ongoing communication, board meeting held at least on a half-yearly basis	Accurate and timely management reporting, financial performance, risk management, compliance with laws and regulations
Business partners	Regular meetings and discussions, periodic operational and financial updates	Opportunities to achieve economic growth and brand building
Employees	Staff orientation, external and internal training programs, performance evaluation, internal memos	Staff benefits, welfare, personal development, good working environment and equal opportunities
Guests	Enquiry calls, corporate website, guest satisfaction surveys	Competitive pricing, personal data security and service quality
Government and Regulators	Periodic discussions with regulators and government agencies/departments	Social and environmental-friendly business approaches, compliance with regulations, timely reporting and resolutions of issues
Suppliers	Regular communication with suppliers to exchange feedback and areas of concerns	Competitive pricing, high ethical standards, comply with purchasing terms and conditions

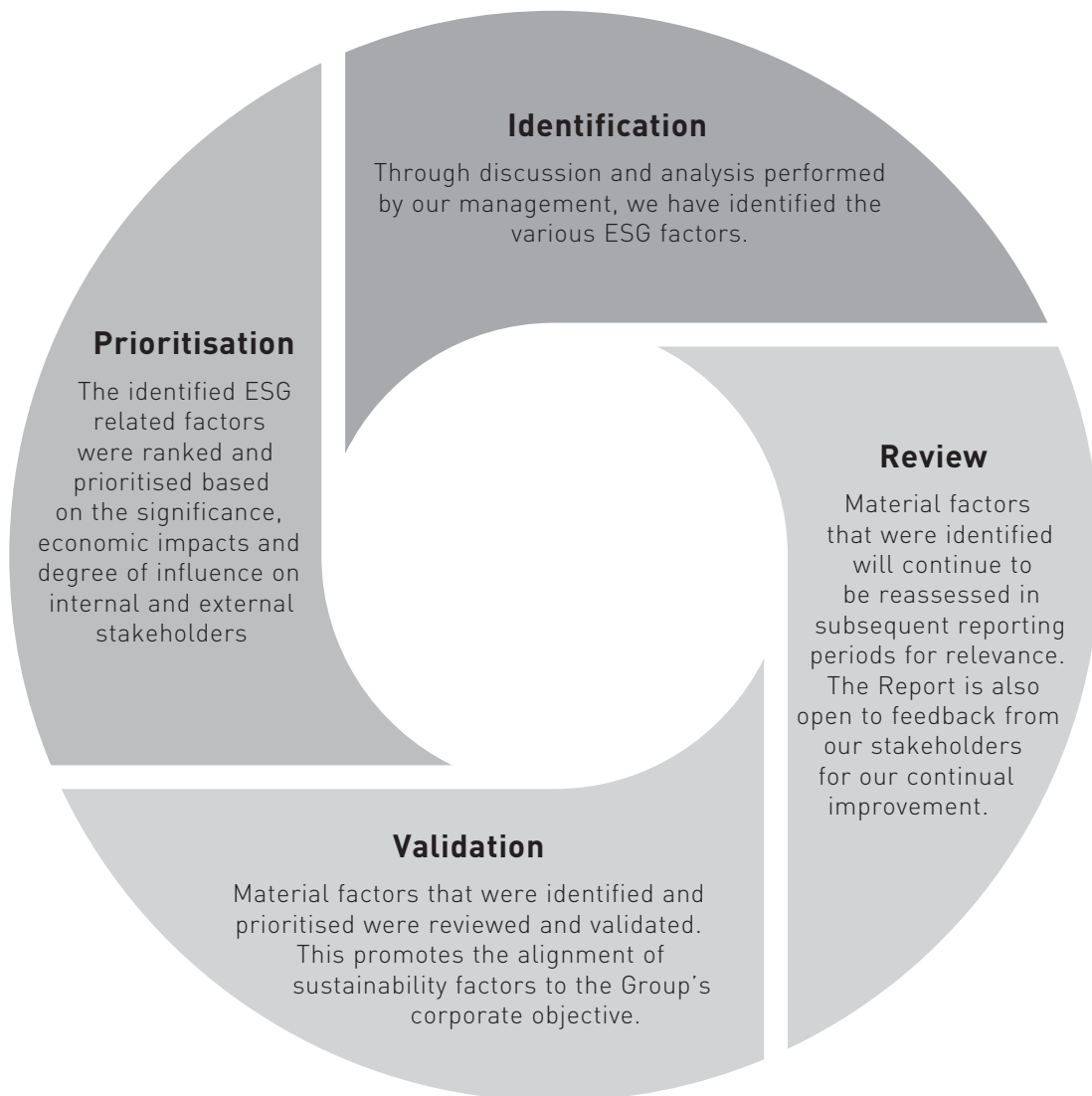
*Due to COVID-19, we have engaged our stakeholders through virtual channels instead of physical meetings.

SUSTAINABILITY REPORT 2021

MATERIAL ESG FACTORS

Materiality Assessment Approach

Our materiality assessment performed involved our employee representatives of the different groups of stakeholders in identifying sustainability factors deemed material to the Group's businesses and our stakeholders to allow us to channel our resources to create sustainable value for our stakeholders. This is reviewed annually to reflect changes in business operations, environment, stakeholders' feedback and sustainability trends. Our Group has structured our materiality assessment into four steps as illustrated below:



SUSTAINABILITY REPORT 2021

Materiality Matrix

Based on feedback gathered from our internal and external stakeholders, we have assessed the potential impact on the economic, environment, social and governance aspect and influence on our stakeholders. Material ESG factors are prioritised as shown in the materiality matrix below:



Significance of economic, environmental, social and governance impact to the business

SUSTAINABILITY REPORT 2021

List of Material Sustainability Factors

Topic	Description	Key Initiatives	Page Reference
Corporate Governance	Our measures in place to uphold good corporate governance	We will continue to engage with relevant groups of stakeholders, including shareholders and the board of directors, providing updates via meeting notes, emails and the corporate website. Our goal is to demonstrate that we are a good corporate citizen by continuing to uphold and maintain high standards of accountable and transparent governance.	Page 22-24
Environmental Compliance	Our environmental-friendly efforts in compliance with environmental-related laws and regulations	As we expand our global presence, we are mindful of the impact of our carbon footprint. We strive to provide our guests with the desired experience while minimising any adverse impact on the environment. Our "going-green" initiatives will not only reduce costs in the long run, but also attract travelers who seek eco-friendly places to stay.	Page 25
Diversity and Equal Opportunities	Initiatives to ensure our workforce are diversified in terms of ethics, genders and age, including equal opportunities amongst employees	We are aware of the highlighted diversity indicators which are material to business sustainability. We continue to ensure no prejudice treatment of all employees and potential employees regardless of their backgrounds, nationalities, gender and age.	Page 26-28
Security of Personal Data	Controls in place to protect personal data and privacy at corporate level and business unit	We exercise caution when handling guests' personal data in relation to our hotel operations. We will continue to review processes and practices for compliance with the data protection and privacy laws.	Page 29

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CORPORATE GOVERNANCE

The Group is committed to acting lawfully and with integrity in every aspect of our business. We have zero tolerance towards corruption and malpractice in the Group and have adopted a corporate governance framework which includes policies and procedures, such as the Code of Conduct Policy and Whistle-blowing Policy, in line with the principles and guidelines set out in the Code of Corporate Governance 2018. To effectively implement our sustainability approach and demonstrate accountability to our stakeholders, our employees follow strictly to our internal policies that our Board has approved and put in place as follows:

Board Diversity Policy



Our Group is committed to fostering diversity and inclusion for our Board. We have in place the Board Diversity Policy that sets out to encourage optimising on the collective strength of our Board members who possess diverse abilities, knowledge, skills and professional experiences. The approach to have a diversity on the Board of the Company in terms of experience, backgrounds, perspective and gender will effectively spur innovative thinking and cultivating sustainable competitive advantage to our Group's long-term growth and success. The Nominating Committee will be responsible for promoting and achieving this policy on appointing willing and able Directors of different profiles.

Investor Relations Policy



Our Group is committed to disclosing material information in a timely, transparent and accurate manner to the public, in accordance to the listing rules of SGX-ST and the Code of Corporate Governance 2018. We have put in place the Investor Relations Policy which establishes a framework of processes and practices which ensures proper communication of information to the investment community for investors to make well-informed investment decisions. We aim to engage shareholders with an emphasis on timely, accurate, fair and transparent disclosure of information.

Dealing in Securities Policy



Our Group has put in place the Dealing in Securities Policy where our Directors, management team and certain employees are prohibited from dealing in the securities of our Group while in possession of price-sensitive information. This also includes the period commencing one month before announcement of our Group's full year financial results and two weeks before the announcement of our Group's financial results of the first half of our Group's financial year, ending on the date of announcement of the relevant results. Directors, management and employees are also discouraged from dealing in our Group's securities on short-term considerations.

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Conflict of Interest Policy



Our Group has put in place the Conflict of Interest Policy and Code of Ethics. All employees are required to complete a Conflict of Interest Declaration Form upon joining, on an annual basis and update Human Resource Department as and when circumstances change. Employees were made aware of these policies during the employee orientation process and through regular communications within our Group.

Whistleblowing Policy



Our Group is committed to high standard of transparency, integrity, compliance and accountability. Our Whistleblowing Policy provides a direct channel for all internal and external stakeholders to raise concerns about possible matters of improprieties or wrongdoings in confidence. Feedback is directed towards the Audit Committee who is charged with ensuring an independent, thorough, and fair investigation is conducted. Employees are urged to follow all ethical and legal requirements to ensure the Group's integrity and reputation are protected.

Related Parties Policy



Our Group has put in place the Related Parties Policy where any transaction, arrangement, or relationship in which any related person has direct or indirect material interest in, will have to be disclosed. The policy defines the related party transactions and the related persons. The policy also include the procedures in place for disclosure of any related parties transactions.

Financial Reporting Policy



Our Group is committed to providing accurate, reliable and timely information of our business activities to our stakeholders. Our policy include procedures to ensure that financial reporting is completed in accordance to the relevant accounting standards, legal and ethical requirements. Our policy include the roles and responsibilities of our management and the Directors, and the internal controls in place for financial reporting.

SUSTAINABILITY REPORT 2021

Performance and Targets

In FY2021, there were no complaints or reports of corruption and no cases of breaches in relation to SGX listing rules.

FY2021 Target	FY2021 Performance	FY2022 Target	Key Initiatives to be Continued/Implemented
Zero cases of breaches in relation to SGX listing rules	The Group maintained zero cases of breaches in relation to SGX listing rules.	Zero cases of breaches in relation to SGX listing rules	<ul style="list-style-type: none"> • New employees are briefed on the abovementioned policies upon joining the Company. The Group's corporate service provider will provide updates on relevant changes in listing rules/Companies Act to Management who will then circulate to Directors and inform the staff. Management will also circulate any updates sent by SGX to our staff to ensure that the Company complies with the new rules. • Continue to conduct mandatory annual declaration on conflict of interest to declare potential interests in order to put in place proper safeguards. • Continue to present a balanced and understandable assessment of the Group's performance, position and prospects to the public, to enable the investment community and other stakeholders to better understand the business and operations of the Group.
Zero cases of confirmed incidents of corruption	There were no reported cases of whistleblowing, misconducts by the employees or any confirmed cases of corruption.	Zero cases of confirmed incidents of corruption	<ul style="list-style-type: none"> • The Group's whistleblowing policy was updated to adhere to SGX's proposed enhancements to whistleblowing regime. • Continue to conduct mandatory annual declaration on conflict of interest to declare potential interests in order to put in place proper safeguards. • Review and continually enhance policies and code of ethic by observing a high standard of corporate conduct.

SUSTAINABILITY REPORT 2021

ENVIRONMENTAL COMPLIANCE

Environmental compliance is an integral part of the Group's sustainability strategy. We strive to not only just comply but also integrate the best sustainability practices across business operations to reduce adverse environmental impact on the ecosystem. The need for environmental preservation has been increasing in prominence among businesses and communities as environmental issues continue to threaten our sustainability in the future. A considerable amount of energy and water is required for our hotel operations which run all day and all night. These contributed to the generation of wastes and emission of carbon dioxide to the atmosphere.

Our Group is committed to building an environmentally friendly corporate image and strives to reduce our environmental impact including the consumption of electricity and paper by integrating various green practices into our daily operations. The green initiatives include using energy-saving lights and incorporating district cooling technologies in the air-conditioning systems which help to reduce energy consumption. We have also conducted a "Green Campaign" to reduce the use of disposable products. We make use of energy efficient equipment and ensure regular maintenance of the equipment to optimize energy efficiency.

It is also important to communicate our strategy to our employees and hotel guests so that we can all work together to achieve environmental compliance and sustainability. Through frequent reminders, our employees are made aware of our responsibilities to the environment and the requirements in complying with environmental regulations. We comply to environment laws and regulations such as Waste Management Act and Environmental Impact Assessment Act in South Korea. Apart from the above, we also encourage our hotel guests to conserve energy through the switching off of power that are not in use, switching off of lights and to conserve water by placing signs in the room.

During the reporting period, the Group did not identify any non-compliance with environmental laws and/or regulations. We seek to continue our strong compliance record and maintain our efforts to preserve the environment. Through performing regular reviews on our business operations and hotel operations in South Korea, we are constantly looking for ways to improve and work towards building a cleaner and more sustainable future.

Performance and Targets

In FY2021, there were no reports/incidents of non-compliance with the local environmental laws and regulations.

FY2021 Target	FY2021 Performance	FY2022 Target	Key Initiatives to be Continued/Implemented
No significant financial penalty for non-compliance with environmental laws and regulations	The Group maintained zero reports/incidents on non-compliance with environmental laws and regulations.	No significant financial penalty for non-compliance with environmental laws and regulations	<ul style="list-style-type: none"> Continue to provide our guests with the desired experience while minimising any adverse impact on the environment. Constantly review our policies and practices, including internal checks to ensure environmental compliance. Participate actively in environmental energy campaigns conducted by the government or related agencies, and actively guide and encourage customers to participate.

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DIVERSITY AND EQUAL OPPORTUNITIES

The Group recognises the value of a diverse and skilled workforce and is dedicated to providing equal opportunities in all aspects of employment. We have in place our Human Resource Policies that guides us in recruiting employees based on merit and preventing any form of discrimination against different gender, age, ethnicity, religion, marital status, sexual orientation and national origin. Thus, allowing them to be treated fairly in every aspect including recruitment, salary, training, and promotion.

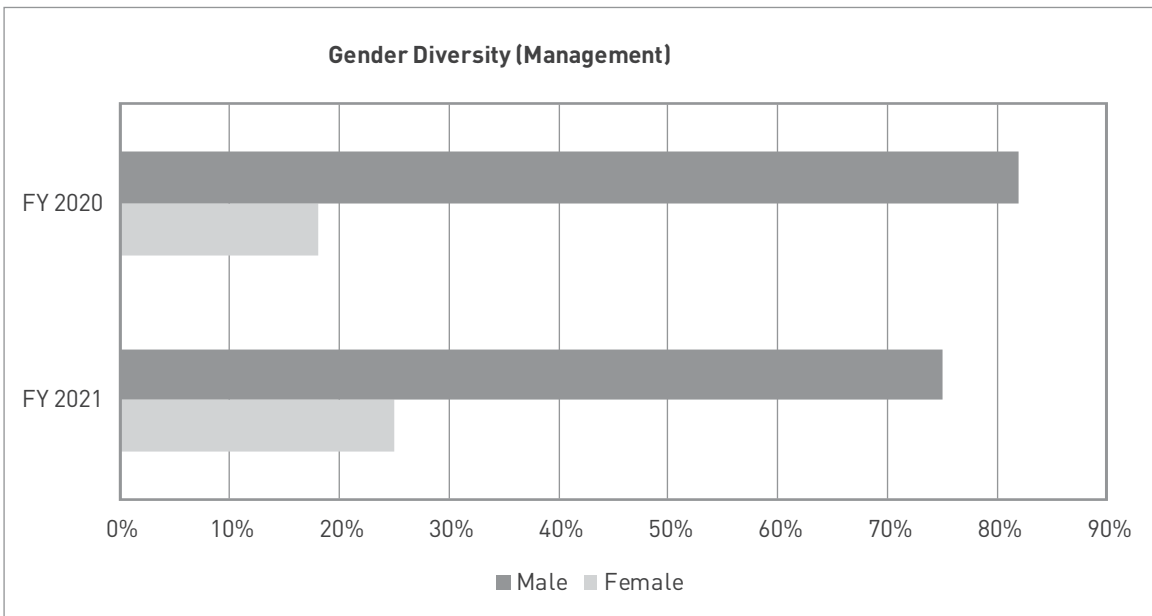
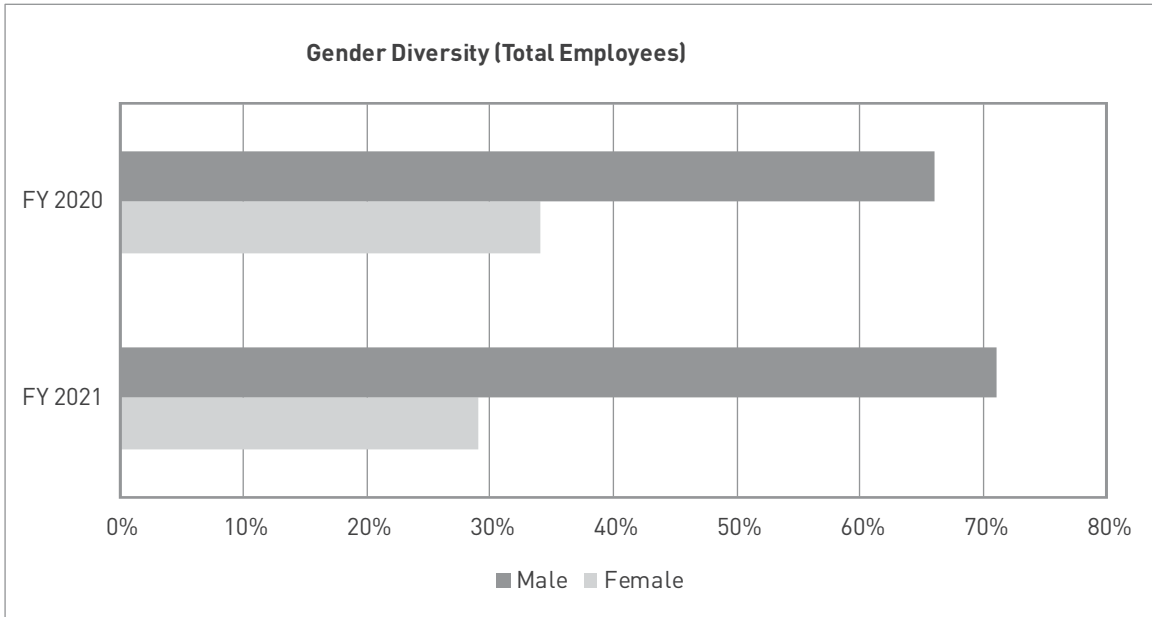
With the aim of ensuring fair and equal protection for all employees, the Group emphatically states its zero-tolerance stance on discrimination in the workplace of any form. Having a diversified workforce means to create different opinions and viewpoints coming from each different individual. This benefits us as we will be able to provide exceptional customer service to serve customers from different background and age groups.

We provide equal opportunities to all our employees by conducting annual appraisals of employees' performance where increments, bonuses and career advancement are based on the outcome of the appraisals.

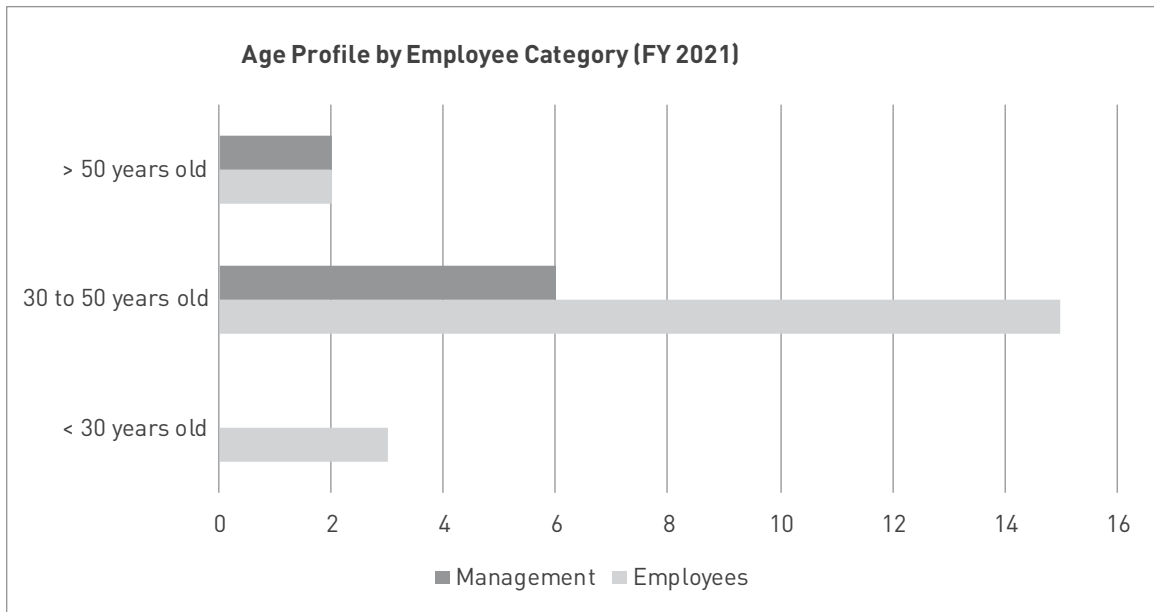
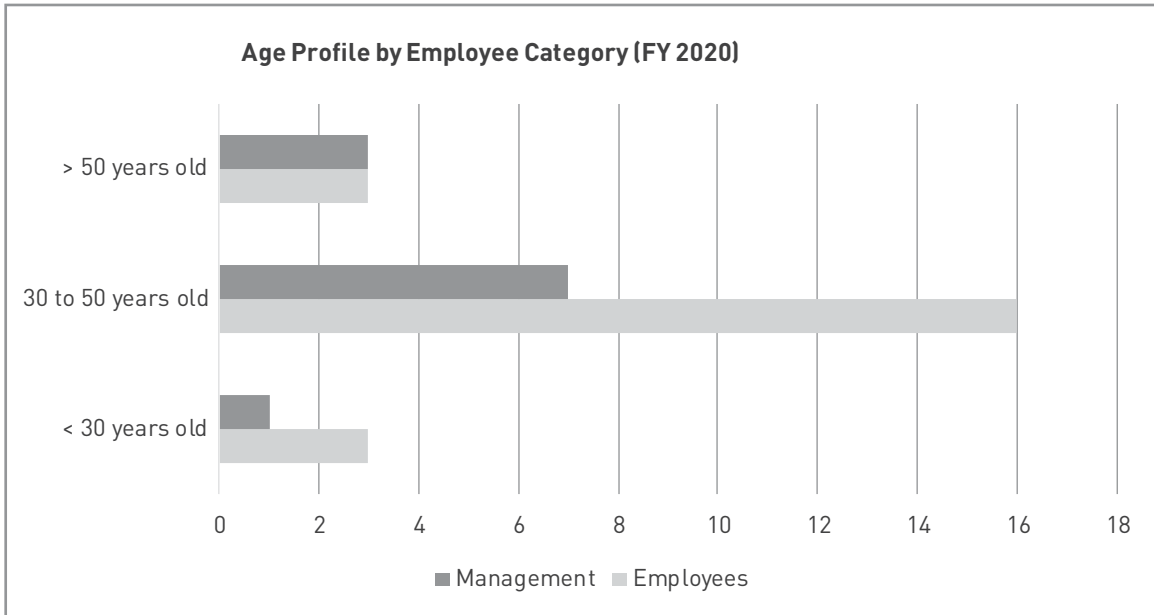
Performance and Targets

FY2021 Target	FY2021 Performance	FY2022 Target	Key Initiatives to be Continued/ Implemented
Continue to maintain and collect data in relation to employee diversity of the Group's key business units.	We collect and present quantitative data of our Group's key business units on aspects including gender and age group at different employee categories.	Continue to maintain and collect data in relation to employee diversity of the Group's key business units.	<ul style="list-style-type: none"> • Build up and maintain data collection methodology for continuing monitoring purpose. • Engage with reporting business units to review the accuracy of data recorded.

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SECURITY OF PERSONAL DATA

As technology advances, there is a growing concern on personal data collection and how the personal data collected is being used. The Group recognise that the trust from our customers that their personal data is being collected, handled and protected in a responsible manner is key to the continued success of the Group's operations. In the hospitality industry, great emphasis is placed on the collection and handling of personal data as our hotels receive a large volume of personal data daily. Safeguarding our shareholders' data is of paramount importance to the Group and we are committed to complying with personal data regulations to safeguard and maintain personal data. We are committed to complying with personal data protection regulations in both jurisdictions (Singapore and South Korea) to safeguard and maintain personal data.

In Singapore, the Personal Data Protection Act ("PDPA") was enacted to regulate the collection, use, disclosure and care of personal data. Our Group has an assigned Data Protection Officer ("DPO") that oversees the data protection responsibilities within our Group and ensure that we comply to the PDPA. Our DPO are kept abreast of the developments in the PDPA and will review and update our data protection policies where required.

In South Korea, our Group is governed by the Personal Information Protection Act. Our guests provide their data through online inquiries, booking and upon check-in at our hotel premises. When collecting guests' information, we will inform them in advance on the type of information that we are collecting, the purpose of collection, and obtain their consent. We have put in place measures to safeguard personal data collected, including access control. Our Group strictly prohibits the use of personal information for unintended purposes and data that is not required will be discarded and destroyed.

We ensure that our employees are kept abreast of the developments in the PDPA and also provide trainings to our employees on a periodic basis to raise their awareness and update them on any changes in the relevant regulations. As part of the orientation program, newly joined hotel employees will be briefed on the importance and how to safeguard the data privacy of our hotel guests.

Performance and Targets

We are pleased to report that for FY2021, there were no substantiated complaints concerning breaches of privacy and loss of customer data. In addition, the Group was not aware of any non-compliance with the relevant laws and regulations related to customers' privacy, including but not limited to the PDPA.

FY2021 Target	FY2021 Performance	FY2022 Target	Key Initiatives to be Continued/ Implemented
Create a safe, secure and reliable environment for our hotel guests of hotel business.	We continued our efforts in creating a work culture and awareness in handling our customers' data responsibly.	Create a safe, secure and reliable environment for our hotel guests of hotel business.	Review and refine policy and practices on personal data protection for hotel business.
Zero instances of leaks of guests' data and breaches of personal data protection related regulations.	Zero instances of leaks of guests' data and breaches of personal data protection related regulations.	Zero instances of leaks of guests' data and breaches of personal data protection related regulations.	Provide constant communication and trainings on policy and measures in relation to personal data protection.

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GRI CONTENT INDEX

GRI Standard/Disclosure		Page Reference and Reasons for Omission, if applicable
Organisational Profile		
102-1	Name of the organisation	Page 14
102-2	Activities, brands, products and services	Page 14
102-3	Location of headquarter	Page 14
102-4	Location of operations	Page 14
102-5	Ownership and legal form	Page 14
102-6	Markets served	Page 14
102-7	Scale of the organisation	Annual Report 2021 Financial Highlights
102-8	Information on employees	Page 27 and 28
102-9	Supply chain	Page 17
102-10	Significant changes to the organisation and its supply chain	There is no significant change to the organisation and its supply chain
102-11	Precautionary Principle or approach	Page 14, 15 and 17
102-12	External initiatives	Page 15
102-13	Membership of associations	Page 15
Strategy		
102-14	Statement from senior decision maker	Page 13
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Page 14, 15 and 17
Governance		
102-18	Governance structure	Page 17
Stakeholder Engagement		
102-40	List of stakeholder groups	Page 18

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GRI Standard/Disclosure		Page Reference and Reasons for Omission, if applicable
102-41	Collective bargaining agreements	Not applicable. The employees of Datapulse are not covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	Page 18
102-43	Approach to stakeholder engagement	Page 18
102-44	Key topics and concerns raised	Page 20 and 21
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Notes to the Financial Statements (Subsidiaries)
102-46	Defining report content and topic boundaries	Page 16 and 17
102-47	List of material topics	Page 21
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Not applicable
102-50	Reporting period	Page 17
102-51	Date of most recent report	31 Jul 2020
102-52	Reporting cycle	Annually
102-53	Contact point for questions regarding the report	Page 17
102-54	Claims of reporting in accordance with the GRI Standards	Page 17
102-55	GRI content index	Page 30 to 32
102-56	External assurance	Page 17
GRI 103: Management Approach		
103-1	Explanation of the material topic and its boundaries	Page 21 to 29
103-2	The management approach and its components	Page 21 to 29
103-3	Evaluation of the management approach	Page 21 to 29
GRI 205: Anti-corruption		
205-2	Communication and training about anti-corruption policies and procedures	Page 22 to 24
205-3	Confirmed incidents of corruption and actions taken	Page 24

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GRI Standard/Disclosure		Page Reference and Reasons for Omission, if applicable
GRI 307: Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	Page 25
GRI 405: Diversity and Equal Opportunities		
405-1	Diversity of governance bodies and employees	Page 26 and 27
GRI 418: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 29

CORPORATE GOVERNANCE REPORT

Datapulse Technology Limited (the “Company”) is committed to high standards of corporate governance so as to ensure greater transparency and protect the interests of its employees, customers and shareholders. The board of Directors (“Board”) and Management believe that good corporate governance is key to the integrity of the Group and essential to the long-term sustainability of the Group’s businesses and performance.

To discharge its governance function, the Board and its committees have established policies and procedures to govern their activities. The Board and its committees are guided by their respective Terms of References.

The Board is pleased to report to its shareholders on the Company’s corporate governance practices for the financial year ended 31 July 2021 (“FY2021”) with specific reference to each provision of the Code of Corporate Governance 2018 (the “Code”) issued in August 2018. The Board confirms that the principles and provisions of the Code have been adhered to save as highlighted and explained in this report.

PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

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

The Board oversees the overall strategy and business direction of the Group and is collectively responsible for its success. Management also plays a pivotal role in providing the Board with complete, adequate and timely information to assist the Board in the fulfilment of its responsibilities.

Provision 1.1

Board’s Role

The principal functions of the Board include, *inter alia*, providing entrepreneurial leadership, setting the appropriate tone-from-the-top and desired organisational culture, monitoring Management’s performance, establishing a framework for prudent and effective internal controls to manage risk, safeguarding shareholders’ interests and the Company’s assets as well as setting values and standards (including ethical standards) for the Company. The Board is also mindful of the Company’s social responsibilities.

The Board sets the directions for the Company where ethics and values are concerned. This helps to nurture an environment where integrity and accountability are key.

The Board’s Conduct of Affairs

The principal functions of the Board include, *inter alia*:

- (a) Reviewing and monitoring the Group’s policies and practices for compliance with legal and regulatory requirements;
- (b) Monitoring and ensuring the training and continuous professional development of Directors and Management;
- (c) Setting long-term strategic goals, and reviewing and assessing the strategies of the Group from time to time, and monitoring the progress towards achieving these goals;
- (d) Approving the appointment of key management positions;

CORPORATE GOVERNANCE REPORT

- (e) Approving the compensation packages and incentive payment structure for key management positions;
- (f) Reviewing and approving significant acquisitions and divestments by the Group;
- (g) Setting the dividend policy of the Group and declaring dividends, where appropriate;
- (h) Determining and reviewing the Company's risk profile, risk tolerance level and risk strategy; and
- (i) Conducting an annual, rigorous assessment of the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, the effectiveness of its internal audit, risk management and compliance functions, and the adequacy of the resources allocated to these functions.

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and works with Management to take objective decisions in the interest of the Group.

The Group has a conflict of interest policy for the objective review and approval of potentially conflicting relationships so that transactions which may be unfair or create the appearance of favoritism will be avoided and those which are fair and in the interests of the Group can continue to be enjoyed in the future. Any Director who has a conflict of interest which is likely to impact his or her independence or conflict with a subject under discussion by the Board is required to immediately declare his or her interest to the Board, remove himself or herself from the information flow and recuse from participating in any further discussion or voting on the subject matter.

Provision 1.2

Continuous Training and Development of Directors

To ensure that the Directors keep pace with regulatory changes that will have an important bearing on the Company's or Directors' obligations, the Directors are updated on such changes in between or during Board meetings and/or on specially convened sessions by professionals. The Company Secretary informs the Directors of upcoming conferences and seminars relevant to their roles as directors of the Company.

The Directors are also encouraged to read up on and actively engage in informal discussions on subjects which are relevant to the Group's business.

Orientation for New Directors

Orientation programmes will be organised during the year for new incoming Directors to ensure that they are familiar with the Company's key businesses and corporate governance practices. This also allows the new Director(s) to get acquainted with Management, thereby facilitating board interaction and independent access to Management. The Directors may also at any time request further explanations, briefings and informal discussions on any aspect of the Company's operations or business.

CORPORATE GOVERNANCE REPORT

Provision 1.3

Internal Guidelines on Matters Requiring Board Approval

The Company has adopted internal guidelines governing matters that require the Board's approval.

Matters which are specifically reserved to the Board for approval include but are not limited to:

- (a) Annual plans, risk appetite and performance targets for the Group;
- (b) The establishment of effective procedures for monitoring and control of operations including internal procedures for audit, risk and compliance;
- (c) Strategic business plans and policies of the Group;
- (d) Material acquisitions and disposals by the Group; and
- (e) Terms of reference of the Board and its Committees.

The matters which are specifically decided on and approved by the Board are clearly documented in the minutes of meetings and kept with the Company.

Provision 1.4

Delegation of Authority to Board Committees

The Board is supported by a number of committees which assist it in the discharge of its responsibilities and also enhance the Company's corporate governance framework. These committees include the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Audit Committee ("AC"). Each Board committee has its own specific Terms of Reference setting out the scope of its duties and responsibilities, rules and regulations, and procedures governing the manner in which it is to operate and how decisions are to be taken.

Provision 1.5

Meetings of Board and Board Committees

The Board and its committees meet regularly through scheduled meetings and as warranted by particular circumstances. If Directors are unable to attend meetings in person, telephonic means of communication are allowed under the Constitution of the Company. To enable members of the Board and its committees to prepare for the meetings, agendas are circulated in advance, with board papers and related materials dispatched before the meetings.

The Board normally meets at least two times a year with additional meetings convened as and when necessary.

During FY2021, the Company has held three (3) Board Meetings.

CORPORATE GOVERNANCE REPORT

Multiple Board Representations

All Directors are required to declare their Board Representations. The NC will review the multiple board representations held by the Directors on an annual basis to ensure that sufficient time and attention is given to the affairs of the Company. The NC considers that the multiple board representations held presently by the Directors do not impede their respective performance in carrying out their duties as a Director of the Company.

The Directors had committed considerable time towards the many board meetings and board committee meetings held in FY2021 and adjusted their schedules to ensure participation in board and board committee meetings for the deliberation of issues. The NC is of the view that the Directors have committed their time effectively to discharge their responsibilities.

A record of the Directors' attendance at the Board and Board Committee meetings as well as General Meetings for FY2021 is set out below:

	Board Meetings	Audit Committee	Remuneration Committee	Nominating Committee	General Meeting
Number of meetings held in FY2021					
Name of Director	Number of meetings attended				
Mr Aw Cheok Huat	2 ⁽²⁾	2 ⁽¹⁾	1 ⁽¹⁾	1	2
Mr Lee Kam Seng	3	7 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾	2
Mr Teo Choon Kow @ William Teo	3	7	1	1	2
Mr Lau Yan Wai, Billy	3	7	1	1 ⁽¹⁾	2
Mr Choong Chee Peng Bert	3	3 ⁽³⁾	1	1	2
Mr Loo Cheng Guan ⁽⁴⁾	2	1	1	1 ⁽¹⁾	1

Notes:

- (1) The Director was not a member of the relevant Board Committee at the time of the meetings and had attended the meetings by invitation.
- (2) Mr Aw Cheok Huat was absent from one (1) meeting of the Board as he had to recuse due to his interest in the transaction being deliberated on by the Board in that meeting.
- (3) Mr Choong Chee Peng Bert was absent from four (4) meetings of the AC as he had to recuse himself due to his interest in the transactions being deliberated on by the AC in those meetings.
- (4) Mr Loo Cheng Guan resigned as an independent director of the Company on 1 October 2020.

CORPORATE GOVERNANCE REPORT

Provision 1.6

Board's Access to information

Management places a high priority on providing complete, adequate and timely information to the Board on an on-going basis, in order for the Directors to discharge their duties efficiently and effectively. Board members receive half-yearly management reports pertaining to the operational and financial performance of the Group, including updates on the Group's financials, cash flow positions and operational performance of the Group's assets. The Board will also be updated on industry trends and developments. As far as is practicable, Board members will receive all Board papers not less than three business days in advance of the meeting to enable them to have sufficient time to fully consider and deliberate issues to be considered at the meetings. Minutes of the previous meetings are tabled and confirmed at Board meetings for the Directors' information.

Provision 1.7

Board's Access to Management and Company Secretary

The Board has at all times separate and independent access to Management through electronic mail, telephone and face-to-face meetings and are entitled at all times to request for any additional information needed to make informed decisions. Similarly, key Management staff, the Company's auditors or external consultants are invited to attend Board and Board Committee meetings to update and provide independent professional advice on specific issues, where necessary.

Directors have separate and independent access to the Company Secretary through electronic mail, telephone and face-to-face meetings.

The role of the Company Secretary includes the responsibility for ensuring that Board procedures are followed and applicable rules and regulations are complied with. Further, the Company Secretary assists in coordinating the flow of information within the Board and Board Committees as well as between Management and the Board. The Company Secretary also assists the Chairman of the Board and the Board in implementing and strengthening corporate governance practices and processes.

Appointment and Removal of Company Secretary

The appointment and removal of the Company Secretary is subject to the approval of the Board.

Board's Access to Independent Professional Advice

Where required, procedures are also in place for the Board and individual Board Committees to seek independent professional advice, at the Company's expense.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

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

Provisions 2.1, 2.2 & 2.3

Independent Element of the Board, Composition of Independent Directors and Non-Executive Directors on the Board

The Board comprises five Directors of which one is an Executive Director, one is a Non-Independent Non-Executive Director and the remaining three directors are Independent Directors, including a Lead Independent Director, thus providing a strong independent element on the Board, capable of open, constructive and robust debate on pertinent issues affecting the affairs and business of the Company and the Group.

Independence of Directors

The NC, in its determination in respect of the independence of a Director, takes into account, *inter alia*, the criteria given in the Listing Manual and the Code, the existence of any relationships between such Director and the Group, its related corporations, its substantial shareholders and officers and if applicable, whether such relationships can interfere, or be reasonably perceived to interfere, with the exercise of such Director's independent judgment.

The NC, having considered the declarations made by the Independent Directors in respect of their independence, is of the view that the current Board has an appropriate level of independence to enable it to make decisions in the best interests of the Company.

The Board confirms that none of the Independent Directors has served on the Board beyond nine (9) years from the date of his first appointment. However, taking into account the need for Board refreshment, the Board may consider formulating a policy on this at an appropriate time.

Provision 2.4

Composition and Size of the Board

The NC conducts an annual review on the composition of the Board which comprises members from different backgrounds and whose core competencies, qualifications, skills and experiences are extensive and other aspects such as gender and age. Having reviewed and considered the composition and diversity of the Board and its committees, the NC has determined that the current Board size and structure is adequate for the existing business operations of the Company.

The Board is also well supported by accurate, complete and timely information, and has unrestricted access to Management.

CORPORATE GOVERNANCE REPORT

A summary of the composition of the Board and its Committees is set out below:

Director	Board	AC	NC	RC
Mr Aw Cheek Huat	Chairman, Non-Independent Non-Executive Director	–	Member	–
Mr Teo Choon Kow @ William Teo	Lead Independent Director	Chairman	Member	Member
Mr Choong Chee Peng Bert	Independent Director	Member	Chairman	Member
Mr Lau Yan Wai	Independent Director	Member	–	Chairman
Mr Lee Kam Seng	Executive Director	–	–	–

The NC with the concurrence of the Board, is of the view that the current Board size of five (5) Directors is appropriate and that the Board possesses the appropriate diversity. The NC also takes into account the mix of skills and core competencies of its members, to ensure a good balance and diversity of skills, knowledge and experience. Amongst the directors are hotel investments and management, real estate development and REITs, interior design, legal, accounting and finance professionals who possess the relevant expertise and skill sets in their respective fields for effective decision making.

The Board has adopted a policy and framework for promoting diversity on the Board and the NC is responsible for ensuring that this policy is implemented in an effective and practical manner. The NC will report to the Board periodically on the progress made in achieving the objectives set for promoting diversity.

Their combined core competencies and experience provide management with a diverse and objective perspective to enable balanced and well-considered decisions to be made. The Directors' profiles are set out in pages 8 to 10 of this Annual Report.

Provision 2.5

Regular Meetings of Non-Executive Directors and Independent Directors

During the year, the Directors communicate among themselves without the presence of Management as and when the need arises and feedback is provided to the Board and/or Management, as appropriate. The Company also benefits from Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board committee meetings.

PRINCIPLE 3: CHAIRMAN AND EXECUTIVE DIRECTOR

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

Provisions 3.1 & 3.2 Roles and Responsibilities of Chairman & Executive Director

The functions of the Chairman and the Executive Director are assumed by two separate individuals so as to ensure effective supervision and maintenance of an appropriate balance of power and authority. There is a clear demarcation between the roles of the Chairman and the Executive Director, which promotes increased accountability and a greater capacity of the Board for independent decision making.

CORPORATE GOVERNANCE REPORT

Mr Aw Cheok Huat is the Chairman of the Board. He is responsible for the overall leadership of the Board and engages Management regularly on pertinent issues. He approves the agendas for Board Meetings and promotes a culture of open and free discussion amongst the Board. He also ensures that the Board receives timely and accurate information from Management, and provides valuable insight, guidance and advice on corporate governance systems and processes.

The Executive Director, Mr Lee Kam Seng leads Management and has full executive responsibility for the overall management and performance of the Group's business. He translates the Board's decisions into executive action and is accountable to the Board.

The Chairman and the Executive Director are not related.

Provision 3.3

Mr Teo Choon Kow @ William Teo is the lead independent director of the Company. He is responsible for providing leadership in situations where the Chairman is conflicted, and is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 and 4.2

NC Membership and Terms of Reference

The NC comprises three members, a majority of whom, including the Chairman, are Independent Directors. The composition of the NC is as follows:

Mr Choong Chee Peng Bert, Chairman	(Independent Director)
Mr Aw Cheok Huat	(Non-Independent Non-Executive Director)
Mr Teo Choon Kow @ William Teo	(Lead Independent Director)

During FY2021, the NC has held one meeting, which all members attended.

The NC is guided by its written Terms of Reference, which sets out its authority and duties. The principal functions of the NC include, *inter alia*:

- (a) Making recommendations to the Board on all Board appointments and re-appointments;
- (b) Reviewing the multiple board representations of the Directors;
- (c) Formally assessing the effectiveness of the Board as a whole, the effectiveness of the Board Committees and the contribution by each individual Director to the effectiveness of the Board;
- (d) Reviewing the training and professional development programmes for the Board;

CORPORATE GOVERNANCE REPORT

- (e) Reviewing the structure, size and mix of expertise and experience of the Board; and
- (f) Assessing the independence of Directors and level of independent element within the Board.

Each NC member shall abstain from voting on any resolution in respect of the assessment of his own performance or re-nomination as a director.

NC Responsibilities

The key responsibilities of the NC include making recommendations to the Board on relevant matters such as the process for evaluating the performance of the Board as a whole. It also ensures compliance with the provisions of the Constitution of the Company which stipulates that at each annual general meeting of the Company ("AGM"), one-third of the Directors (or, if their number is not three or a multiple of three, the number nearest to one-third) shall retire from office by rotation in accordance with the Constitution, and may stand for re-election.

Each member of the NC abstains from voting on any resolution and making any recommendation and/or participating in respect of matters in which he is interested.

In accordance with the Constitution of the Company, new Directors must submit themselves for re-election at the next Annual General Meeting of the Company and one third of the Directors (excluding Directors who were appointed to fill a casual vacancy or as an additional Director) must retire by rotation at each Annual General Meeting and they shall be available for re-election.

The NC has recommended the nomination of the following Directors retiring under Regulation 101 of the Constitution of the Company, for re-election at the forthcoming AGM:

- (i) Mr Choong Chee Peng Bert (Regulation 101)
- (ii) Mr Lee Kam Seng (Regulation 101)

Upon re-election as Director, Mr Choong Chee Peng Bert will remain as a Chairman of the NC and member of the AC and RC; and Mr Lee Kam Seng will remain as executive Director.

Alternate Directors

There are currently no Alternate Directors on the Board.

Provision 4.4

Determining Directors' Independence

Each Independent Director completes a declaration to confirm his independence on an annual basis. The NC has reviewed the independence of the Directors as mentioned at page 38 of this report. In the opinion of the NC, Mr Teo Choon Kow @ William Teo, Mr Choong Chee Peng Bert and Mr Lau Yan Wai are independent based, *inter alia*, on the criteria given in the Listing Manual and the Code and their respective declarations.

CORPORATE GOVERNANCE REPORT

Provisions 4.3 and 4.5

Process for the Selection and Appointment of New Directors

The NC evaluates the balance of skills, knowledge and experience of the Directors and determines the suitable size and composition of the Board required to add value to and facilitate effective decision-making of the Company, taking into consideration the scope and nature of the operations of the Company. In respect of an appointment of a new Director, a rigorous search process is undertaken by the NC which includes evaluating the academic and professional qualifications, knowledge and experience of potential candidate(s) in relation to the business of the Group, the independence (if applicable) and other directorships of the candidate(s). After deliberations, the NC would provide its recommendation to the Board in respect of the new Director.

New Directors are presently appointed by way of Board resolution or at a Board meeting, with the Board taking into account the evaluation and recommendation by the NC. Before making a recommendation to the Board, extensive searches on the candidates(s) are conducted and the NC ensures that the potential candidate(s) possesses the necessary skills, knowledge, qualifications, working experience and other relevant factors that could facilitate the Board in making sound and well considered decisions. Incoming Director(s) will also be required to make a declaration as to their interests in and/or independence from the Company.

A formal letter is sent to a newly-appointed Director upon his/her appointment stating his/her duties and obligations as director.

Key Information on Directors

Key information of each Director including directorships and chairmanships in other listed companies, other major appointments and principal commitments, academic/professional qualifications, membership/chairmanship in the Company's Board committees, date of first appointment and last re-election, etc. can all be found under the Directors' Profile section on pages 8 to 10 of this Annual Report.

PRINCIPLE 5: BOARD PERFORMANCE

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

Provisions 5.1 and 5.2

Board Performance

The principal commitments of the directors, if any, and other key information regarding the directors are set out in the Board of Directors' profile section in pages 8 to 10 of this annual report.

The Board has an established process to assess and evaluate the effectiveness of the Board as a whole and additionally, has for FY2021 implemented a process to assess and evaluate the effectiveness of individual directors in carrying out their roles, duties and responsibilities on the respective Board committees.

The evaluation process involves each Director completing a questionnaire on the overall effectiveness of the Board covering areas such as board's composition and conduct, board's processes and procedures, board's accountability, and evaluation and succession planning of key executives, as well as each Board committee member completing a self-assessment questionnaire in respect of the effectiveness of their respective Board committees.

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The NC is of the view that such evaluation processes provides an opportunity for directors to give their feedback (if any) on the procedures and processes of the Board or Board committees and to identify the areas of improvement or enhancement which can be recommended or made to the Board.

The NC will, taking into account the results of the performance evaluation, where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors. Based on the evaluation results and findings for FY2021, the NC has assessed the contribution of each individual director to the effectiveness of the Board and is of the view that each director had adequately carried out his duties and contributed effectively to the Board.

The Company does not engage an external facilitator in respect of the Board Performance Evaluation.

REMUNERATION MATTERS

Matters concerning remuneration of the Board, key management personnel and employees who are related to the substantial shareholders, the CEO and/or Directors (if any) are handled by the RC whose primary functions include the development of formal and transparent policies on remuneration matters in the Company.

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

Provisions 6.1, 6.2 and 6.3

Remuneration Committee and Terms of Reference

The RC comprises the following three Directors, all of whom are Non-Executive and independent:

Mr Lau Yan Wai, Chairman	(Independent Director)
Mr Teo Choon Kow @ William Teo	(Lead Independent Director)
Mr Choong Chee Peng Bert	(Independent Director)

During FY2021, the RC held one meeting, which all members attended.

The RC is guided by its written Terms of Reference, which sets out its authority and duties. The principal functions of the RC include, *inter alia*:

- (a) Making recommendations to the Board on the Group's framework of executive remuneration;
- (b) Reviewing and providing a recommendation to the Board on the adequacy and form of compensation of the Directors and key executives of the Group to ensure that the compensation is realistically commensurate with the responsibilities and performance of the Director and/or key executive and the Group;
- (c) Reviewing and recommending to the Board the terms of renewal for those Executive Director(s) whose current employment contracts with the Group has or is due to expire;

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- (d) Reviewing the fees for Non-Executive Directors before proposing such fees to the Board for approval, taking into account factors such as the effort and time spent by and the responsibilities of such Non-Executive Directors;
- (e) Reviewing and recommending to the Board the talent management and remuneration framework for the Company, including staff development and succession planning; and
- (f) Reviewing and recommending to the Board the engagement of stakeholders with respect to remuneration matters.

Provision 6.4

RC's Access to Advice on Remuneration Matters

The RC has access to the professional advice of external experts in the area of remuneration, where required. No remuneration consultants were engaged by the Company in FY2021.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

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

Provision 7.1

Remuneration of Executive Director and Key Management Personnel

The Company's remuneration structure for its Executive Director and key management personnel comprises both fixed and variable components. The variable component is linked to the Group/Company's performance and the individual personnel's performance. Such performance-related remuneration is designed to align with the interests of shareholders and other stakeholders and promote long term success of the Group.

Contractual Provisions Protecting the Company's Interests

The Company does not have any contractual provisions in the employment contracts with the Executive Director and key management personnel pursuant to which the Company may reclaim the variable components of remuneration from the Executive Director and key management personnel in exceptional circumstances, such as any misstatement of financial results, or misconduct resulting in financial loss to the Company and the Group. Notwithstanding the foregoing, the Executive Director owes a fiduciary duty to the Company and the Company should be able to avail itself of the relevant remedies at law against the Executive Director in the event of such breach of fiduciary duties.

CORPORATE GOVERNANCE REPORT

Provision 7.2

Remuneration of Non-Executive Directors

The Company's framework for Non-Executive Directors' fees on per annum basis (unless otherwise indicated) is as follows:

	Chairman	Member
	\$	\$
Board of Directors	60,000	40,000
Audit Committee	15,000	7,500
Nominating Committee	7,000	3,500
Remuneration Committee	3,000	1,500

Notwithstanding the foregoing remuneration framework, in view of the Group's financial performance and the challenges brought about by the COVID-19 situation, the Board has considered and approved the RC's proposal for the reduction in the Directors' fees for Non-Executive Directors for FY2021 to continue into FY2022.

Provision 7.3

Remuneration Framework

To attract, retain and motivate Directors and employees to provide good stewardship of the Company, the RC establishes appropriate remuneration packages for the Directors and key management personnel of the Company. Such remuneration packages are based on an established framework and are reviewed periodically to ensure that they remain relevant.

During the year, the RC considered and approved the Executive Director's remuneration package which included salary, bonus and benefits-in-kind. In addition, the RC reviewed the performance of the key management personnel and considered the Executive Director's recommendation for bonus and remuneration for the key management personnel.

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions 8.1 and 8.3

Remuneration Report

Details on the remuneration of Directors and key management personnel for FY2021 are presented in the following table. The framework for directors' fees for the Non-Executive Directors is set out above and the remuneration for the Executive Director is based on his employment contract with the Company.

CORPORATE GOVERNANCE REPORT

Remuneration of Directors

The table below shows the breakdown of the remuneration and fees of the Directors for FY2021. Shareholders' approval will be sought at the Annual General Meeting for payment of fees to Directors for the financial year ending 31 July 2022.

The Company had not disclosed the exact remuneration paid to each individual Director including the Executive Director due to the sensitive and confidential nature of such remuneration matters and to ensure the Company's competitive advantage in the retention of such personnel.

Name	Fixed component %	Variable component %	Contributions to Central Provident Fund %	Benefits in kind %	Fees %	Total %
<u>Executive Directors</u>						
Below \$250,000						
Lee Kam Seng	85	–	3	–	12	100
<u>Non-Executive Directors</u>						
Below \$100,000						
Mr Aw Cheek Huat	–	–	–	–	100	100
Mr Teo Choon Kow @ William Teo	–	–	–	–	100	100
Mr Choong Chee Peng Bert	–	–	–	–	100	100
Mr Lau Yan Wai	–	–	–	–	100	100

CORPORATE GOVERNANCE REPORT

Remuneration of Key Management Personnel

As the Group only has one key management personnel (who is not a Director or the CEO) during FY2021, the Company has not disclosed the remuneration paid to the said key management personnel due to the sensitive and confidential nature of such remuneration matters and to ensure the Company's competitive advantage in the retention of such personnel. The details of the remuneration paid to the key management personnel of the Company during FY2021 are set out below in bands (in percentage terms):

Name and Position of Key Management Personnel	Fixed component %	Variable component %	Contributions to Central Provident Fund %	Benefits in kind %	Fees %	Total %
Below \$250,000						
Lee Changwei, Eugene, Financial Controller ⁽¹⁾	86	–	14	–	–	100

Note:

(1) Mr Lee Changwei, Eugene has resigned as the financial controller of the Company with effect from 31 August 2021.

Provision 8.2

Employee(s) related to Directors/CEO/Substantial Shareholders

There is no employee who is a substantial shareholder of the Company or who is an immediate family member of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during FY2021.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

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

Provision 9.1

Risk Management and Internal Controls System

The Board recognises the importance of maintaining sound systems of risk management and internal controls to safeguard shareholders' interests and the Group's assets. The AC oversees and ensures that such systems have been appropriately implemented and are monitored.

A summary of the Company's risk management and internal controls system is appended below.

CORPORATE GOVERNANCE REPORT

Risk Management

The Group adopts a comprehensive and systematic approach towards Enterprise Risk Management (“ERM”) to help identify, measure, prioritise and respond to the risks challenging its objectives, initiatives, and day-to-day operating activities.

As part of the Group’s approach towards ERM, the Group has conducted on an annual basis a Risk Assessment exercise where the key risks of the Group have been identified and evaluated. In addition, the Group evaluates its risk exposure based on the likelihood and impact of each risk identified.

The Group recognises risk management as a collective effort beginning with the individual subsidiaries and business units, followed by the operating segments and ultimately Management and the Board, working as a team.

Internal Controls

A system of internal controls has been implemented to enhance the Group’s internal control function in areas such as finance, operations, compliance and information technology. The internal control measures aim to ensure that the Group’s assets are safeguarded, proper accounting records are maintained, and that financial information used within the business and for reporting is reliable.

Risk Committee

The responsibility of overseeing the Company’s risk management framework and policies is undertaken by the AC with the assistance of the internal auditors. Having considered the Company’s business operations as well as its existing internal controls and risk management systems, the Board is of the view that a separate Risk Committee is not required for the time being.

Provision 9.2

Adequacy and Effectiveness of Risk Management and Internal Control Systems

ERM is an essential part of the Group’s business planning and monitoring process, and has been incorporated into its business cycle. The Group engages a professional audit firm, Nexia TS Risk Advisory Pte Ltd to conduct internal audit reviews based on the plan approved by the AC.

During the year, the AC also reviewed reports submitted by the internal auditors relating to the effectiveness of the Group’s internal controls, including the adequacy of the Group’s financial, operational, compliance and information technology controls.

Board’s Comment on Adequacy and Effectiveness of Risk Management and Internal Controls

The Board is satisfied that the Company has worked closely with the internal and external auditors of the Group to implement the recommended measures and procedures, and has strived to achieve high standards in risk management and internal controls.

CORPORATE GOVERNANCE REPORT

Based on the framework of risk management and internal controls established and maintained by the Group, the work performed by the internal auditors, as well as the statutory audit review undertaken by the external auditors, the Board with the concurrence of the AC, is of the opinion that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems that the Group has put in place are adequate and effective as at 31 July 2021. However, to meet the changing needs of the Group's business environment, continuous improvements will be required as the Group grows its business. The Board, has received assurance from the Executive Director and the Financial Controller that:

- (a) the financial records of the Group have been properly maintained and the financial statements for FY2021 give a true and fair view of the Group's operations and finances; and
- (b) the Group's risk management and internal control systems are adequate and effective.

The Board notes that the system of internal controls provides reasonable but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities.

PRINCIPLE 10: AUDIT COMMITTEE

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

Provision 10.1

Roles, Responsibilities and Authorities of AC

The AC is guided by its written Terms of Reference, which sets out its authority and duties. The key functions of the AC include, *inter alia*:

- (a) Reviewing the financial reports of the Group and the related reporting process;
- (b) Reviewing the Group's risk management framework, system of internal controls and management of financial risks;
- (c) Reviewing the internal and external audit process of the Group, including making recommendations to the Board on the appointment, re-appointment, removal, remuneration and terms of engagement of such auditors and reviewing the annual audit plans (internal and external);
- (d) Reviewing the Company's processes for monitoring compliance with the applicable laws and regulations and code of business conduct;
- (e) Reviewing significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance;
- (f) If deemed necessary, reviewing the assurance provided that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Company's operations and finances;

CORPORATE GOVERNANCE REPORT

- (g) Reviewing the assurance provided on the adequacy and effectiveness of the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems;
- (h) Overseeing the establishment and operation of the whistleblowing process in the Company;
- (i) Commissioning and reviewing the findings of internal investigations conducted where fraud or impropriety is suspected, or where there is a failure of internal controls or infringement of any Singapore law, rule or regulation which is likely to have a material impact on the Group; and
- (j) Considering the various disclosure requirements, particularly those required by regulatory bodies and ensuring that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties.

The AC has explicit authority to investigate any matter within its Terms of Reference. It has full access to, and has had the full co-operation of Management and staff. It also has full discretion to invite any Director or any member of Management to attend its meetings.

The AC reviews all interested person transactions entered into by the Group, including any interested person transactions in accordance with the Company's mandate for Interested Person Transactions which was approved by shareholders at the extraordinary general meeting of the Company on 14 March 2019 and renewed at the annual general meeting of the Company on 27 November 2020 and shareholders' approval will be sought at the AGM for the renewal of the mandate for FY2022. Directors who are interested in the Group's transactions recuse themselves from the deliberation and approval process in both the AC and Board. On a half-yearly basis, the AC also reviewed the financial results announcements of the Company before their submission to the Board for approval.

The AC has explicit authority to investigate whistle-blowing complaints and all whistle-blower complaints are reviewed by the AC and/or the Board pursuant to the Company's Whistle Blowing Policy to ensure independent and thorough investigation and adequate follow-up.

The AC had reviewed the external auditors' audit plan for FY2021 and agreed with the auditors' proposed significant areas of focus and assumptions that impact the financial statements. In its review of the financial statements of the Group for FY2021, the external auditors had discussed with Management the accounting principles that were applied and their judgment of items that could affect the integrity of the financial statements and also considered the clarity of key disclosures in the financial statements. The AC also reviewed and addressed, amongst other matters, the key audit matters as reported by the external auditors for FY2021. The key audit matters can be found on pages 72 to 75 of this Annual Report.

Management reported to and discussed with the AC the changes to the accounting standards and accounting issues which have a direct impact on the financial statements. Directors had also been invited to attend relevant seminars on changes to accounting standards and issues by leading accounting firms.

AC to Keep Abreast of Changes to Accounting Standards

In addition to the activities undertaken to fulfil its responsibilities, the AC is kept up to date by the Management, external and internal auditors on changes to accounting standards, SGX-ST rules and other codes and regulations which can have an impact on the Group's business and financial statements.

CORPORATE GOVERNANCE REPORT

Independence of External Auditors

The AC oversees the Group's relationship with its external auditors. It reviews the selection of the external auditors and recommends to the Board the appointment, re-appointment and removal of the external auditors, the remuneration and terms of engagement of the external auditors. The annual re-appointment of the external auditors is subject to shareholders' approval at each AGM.

The AC has reviewed the independence and objectivity of the external auditors through discussions with the external auditors and an annual review of the nature, extent and charges of non-audit services provided by the external auditors.

In respect of the audit quality indicators, the AC had reviewed, in particular, the following areas: audit hours planned, experience of the team, adequacy of training received by the team, results of internal and third party's inspection of their work, compliance with independence requirement, quality control, staff oversight, and staff attrition rate.

A breakdown of the fees paid to the Group's external auditors (including its member firms) is disclosed in the table below:

External Auditor Fees for FY2021

	\$'000	% of Total Fees
Total Audit Fees	122	100
Total Non-Audit Fees	-	-
Total Fees	122	100

The AC had recommended and the Board had accepted proposing to the shareholders, the reappointment of Mazars LLP as the independent auditors for the Group in the ensuing year. The Company has complied with Rules 712, 715 and 716 of the Listing Manual in relation to the Company's appointment of its auditors.

Whistle Blowing Policy

To encourage proper work ethic and facilitate the eradication of any internal improprieties, unethical acts, malpractices, fraudulent acts, corruption and/or criminal activities in the Group, the Company has implemented a Whistle Blowing Policy. The policy provides a mechanism by which concerns about plausible improprieties in, including but not limited to, matters of financial reporting, dishonest practice, suspected fraud, bribery and corruption, may be raised.

The Company's Whistle Blowing Policy allows not just employees but also external parties to raise concerns and also offers reassurance that the identity of the whistle-blower will strictly be kept confidential unless disclosure is required by law or regulatory authorities. The Company is committed to ensure that the whistle-blower is protected against detrimental or unfair treatment, intimidation, retaliation or adverse employment actions.

The AC addresses issues and/or concerns raised and arranges for investigation and/or follow-up of appropriate action. The AC reports to the Board any issues and/or concerns received by it, at the ensuing Board meeting. Should the AC receive reports relating to serious offences, and/or criminal activities in the Group, they and the Board have access to the appropriate external parties, where necessary, who have the required skills and expertise to conduct the relevant investigations. Where appropriate or required, a report shall be made to the relevant governmental authorities for further investigation/action.

CORPORATE GOVERNANCE REPORT

The Group takes concerns raised in respect of the integrity and honesty of its employees very seriously. The Whistle Blowing Policy as well as whistle blowing communication channel, has been disseminated to all staff via email on a yearly basis and is also posted on the Company's corporate website. A copy of the Whistle Blowing Policy is also made available at the Company's internal shared drive for staff reference. Staff are encouraged to report any behaviour or action that is reasonably suspicious or against any rules/regulations/accounting standards applicable to the Group (including the Group's internal policies). Whistle Blowers may also approach the AC Chairman at datapulse@altumlaw.sg in confidence and his/her identity will be protected from intimidation, retaliation or adverse employment consequences as far as reasonably practicable.

The Company treats all information received confidentially and protects the identity and the interests of all whistle-blowers. The Group views concerns expressed anonymously as potentially less credible but the AC and/or the Board (where appropriate) nonetheless reserves the right to consider such concerns at their discretion.

All newly recruited employees are briefed on the existence of the Whistle Blowing Policy during the Group's induction programme.

The Whistle Blowing Policy is reviewed by the AC from time to time to assess the effectiveness of the processes in place and to ensure that the said policy is updated to take into account any related changes in legal and regulatory requirements.

Provision 10.2

Membership

The AC comprises the following three Directors, all of whom are Non-Executive and independent:

Mr Teo Choon Kow @ William Teo, Chairman	(Lead Independent Director)
Mr Choong Chee Peng Bert	(Independent Director)
Mr Lau Yan Wai	(Independent Director)

During FY2021, the AC held seven meetings, which all members save for Mr Choong Chee Peng Bert attended. Mr Choong Chee Peng Bert was absent from four (4) meetings of the AC as he had to recuse himself due to his interest in the transactions being deliberated on by the AC in those meetings.

Expertise of AC Members

The AC members bring with them invaluable professional expertise in the accounting and financial management domains.

The Chairman of the AC is a Fellow of the Association of Chartered Certified Accountants and a member of the Institute of Singapore Chartered Accountants. The other members of the AC have many years of experience in business management and finance services. The Board is satisfied that the members of the AC have recent and relevant accounting or related financial management expertise and experience to discharge the functions of the AC.

CORPORATE GOVERNANCE REPORT

Provision 10.3

Cooling-off Period for Partners or Directors of the Company's Auditing Firm

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC.

Provision 10.4

Internal Auditors

The AC's responsibilities over the Group's internal controls and risk management are complemented by the work of the Company's internal auditors ("IA").

The Company has outsourced its internal audit function to Nexia TS Risk Advisory Pte Ltd ("Nexia"). The Board has approved the recommendation of the AC to engage Nexia as the IA. The AC assesses the adequacy of the Company's internal audit function through the review of Nexia's audit plan and the quality of its report. The IA has unrestricted access to all the Company's documents, records, properties and personnel, including access to the AC. The IA's primary line of reporting is to the Chairman of the AC.

Internal Audit Function

The Company's internal audit function is independent of the activities it audits. The IA, Nexia, is staffed with professionals with relevant qualifications and experience. Our engagement with Nexia stipulates that its work shall comply with Nexia's Internal Audit Services Methodology which is aligned with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The internal audit was conducted based on an internal audit plan that was approved by the AC. The internal audit plan entails a review of the major functions or business units of the Group.

Having reviewed the audit plan of Nexia, the AC is satisfied that the Company's internal audit function is adequately resourced to perform the work for the Group.

Adequacy and Effectiveness of Internal Audit Function

The AC reviews the adequacy of the Company's internal audit function to ensure that internal audits are conducted effectively and that Management provides the necessary co-operation to enable the IA to perform its function. The AC also reviews the IA's reports and remedial actions implemented by Management. The AC was satisfied that the internal control functions were adequate and effective.

Provision 10.5

Meeting with External and Internal Auditors

During FY2021, the Company's internal and external auditors were invited to attend the AC meetings and make presentations as appropriate. The AC meets with the Company's internal and external auditors without the presence of Management at least annually.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETING

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

Provision 11.1

Sufficient Information to Shareholders

The Company believes in providing sufficient and regular information to its shareholders. In this respect, the Board adopts a comprehensive policy to provide clear, timely and fair disclosure of information about the Company's business developments and financial performance that may have a material impact on the price or value of its shares.

Providing Opportunity for Shareholders to Participate and Vote at General Meetings

Shareholders are informed of general meetings through notices published in the newspaper, the Company's announcements via SGXNET and the reports/circulars sent to all shareholders. All resolutions tabled at general meetings are put to vote by poll voting, where appropriate.

Shareholders are also informed of the rules and voting procedures governing such meetings.

Effective Shareholders' Participation

To facilitate shareholders' effective participation at General Meetings, the Company holds its General Meetings at a location which is considered convenient and accessible to shareholders. In view of the current COVID-19 situation, the forthcoming AGM to be held in respect of FY2021, will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at, or prior to, the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, will be put in place for the AGM. All shareholders of the Group receive the annual report, the relevant circulars and the notices of all shareholders' meetings. The notices are advertised in the newspapers and made available on SGXNET.

The Group fully supports the Code's principle to encourage shareholders' participation during the general meetings. The Company's Constitution allows the appointment of not more than two proxies by shareholders to attend the AGM and vote on his/her behalf. Shareholders who hold shares through nominees are allowed to attend the general meetings as proxies without being constrained by the two-proxy requirement.

CORPORATE GOVERNANCE REPORT

Provision 11.2

Resolutions at General Meetings

At the general meeting, the Board ensures that separate resolutions are proposed for approval on each distinct issue at General Meetings to the extent possible, (or if not, the appropriate reason(s) therefor). Shareholders can vote either in person or through proxies.

Proxies for Nominee Companies

The Constitution of the Company allows all shareholders (who are not relevant intermediaries as set out in the Companies Act) to appoint up to two proxies to attend general meetings and vote on their behalf. The Companies Act allows relevant intermediaries such as the Central Provident Fund (CPF) agent bank nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF agent banks' proxies.

Provision 11.3

Attendees at General Meetings

The Directors attend all General Meetings of the Company to address issues raised by shareholders. The Company's external auditors are also present to address any relevant queries from shareholders on the conduct of the audit and the preparation and contents of the auditors' report. Appropriate key management executives are also present at the general meetings to respond, if necessary, to operational questions from shareholders.

Directors' attendance at the General Meetings can be found on page 36 of this Annual Report.

Provision 11.4

The Company, however, has not implemented measures to allow shareholders who are unable to vote in person at the AGM the option to vote in absentia, whether by way of mail, electronic mail, facsimile transactions or otherwise as the authentication of shareholder identity and other related security issues still remain a concern.

Provision 11.5

Minutes of General Meetings

The minutes of general meetings will be published on the Company's corporate website at <http://www.datapulse.com.sg>.

Provision 11.6

Dividend Policy

The Company has adopted a dividend policy to formalize the principles and practices that the Board applies in considering the level of dividend payments, if any. Pursuant to the Dividend Policy, the Board takes into account, *inter alia*:

- (a) the Company's actual and expected financial performance;

CORPORATE GOVERNANCE REPORT

- (b) the level of cash, gearing, return on equity and retained earnings of the Group;
- (c) any restrictions on payment of dividends that maybe imposed by the Group's financing arrangement;
- (d) the Group's expected levels of capital expenditure and other investment plans; and
- (e) general economic conditions, business cycle of the Group's motion control business and other internal or external factors that may have an impact on the business or financial performance and position of the Company.

The declarations and/or payment of future dividends are subject to the Board's continuing determination that such declaration and/or payment would be in the best interests of the Group and shareholders, and are in compliance with all applicable laws and regulations.

Having considered that the Group is in a loss-making position for FY2021, the Board has therefore recommended that no dividend be declared for FY2021.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

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

Provisions 12.1, 12.2 and 12.3

Communication with Shareholders

In line with the continuous disclosure obligations under the listing rules of the SGX-ST and the Singapore Companies Act, Chapter 50, the Board informs shareholders promptly of all major developments that may have material impact on the Group.

The Board embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interests. Material information on the Group is being released to the public through the Company's announcements via SGXNET.

Timely Information to Shareholders

The Company communicates with its shareholders and the investor community through the timely release of announcements to the SGX-ST via SGXNET. Financial results of the Group are released within 45 days from the end of each half-year and within 60 days from the financial year end. In addition, Annual Reports are distributed to shareholders at least 14 days before each AGM.

Soliciting and Understanding Views of Shareholders

To promote a better understanding of shareholders' views, the Board actively encourages shareholders to participate during the Company's general meetings. These meetings provide excellent opportunities for the Company to obtain shareholders' views on value creation.

CORPORATE GOVERNANCE REPORT

All resolutions at AGMs are, where appropriate, put to vote by poll to allow greater transparency and more equitable participation by shareholders. An independent scrutineer will also be appointed by the Company to ensure the satisfactory procedure of the polling process and to direct and supervise the counting of votes during the Company's general meetings.

Regular Dialogue with Shareholders

General meetings have been and are still the principal forum for dialogue with shareholders. The Company also communicates with its shareholders, both institutional and retail, on a regular basis. Annual reports and notices of general meetings are forwarded to all shareholders of the Company. Notices of general meetings are also advertised in the newspaper. All Directors, including chairpersons of the AC, NC and RC are encouraged to be present at the AGM. At the AGM, shareholders are given the opportunity to engage the Board and Management on the Group's business activities, financial performance and other business-related matters. To further enhance its communication with investors, the Company maintains a corporate website.

The Company's corporate website also contains the latest and past annual reports, half-yearly results and announcements.

Shareholders may send their queries and concerns regarding the Company to the Company's investor relations email at ir@datapulse.com.sg.

Investor Relations Policy

The Company has adopted an investor relations policy to formalize the principles and practices that the Company applies to provide current and prospective investors with information necessary to make well-informed investment decisions and to ensure a level playing field.

The Company is committed to treating all shareholders fairly and equitably, and keep all shareholders and other stakeholders informed of its corporate activities, including changes in the Company or its business which would be likely to materially affect the price or value of its shares, on a timely basis.

The Company's Investor Relations Policy is published on the Company's corporate website at <http://www.datapulse.com.sg> and sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

MANAGING STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

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

Provisions 13.1 and 13.2

Relationship with stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to secure the long-term future of the Company. The Company's efforts on sustainability are focused on creating sustainable value for our key stakeholders, which include communities, customers, staffs, regulators, shareholders and vendors.

CORPORATE GOVERNANCE REPORT

Provision 13.3

Communications with stakeholders

The Company's contact information is reflected on the website, to enable stakeholders to contact the Company, if required.

OTHER CORPORATE GOVERNANCE MATTERS

The Company has in place internal codes of conduct and practices for its Board members and employees on securities transactions while in possession of price-sensitive information and their conduct of business activities.

Dealings in Securities -Rule 1207(19) of the Listing Manual

The Company has adopted a policy on securities dealing by Directors and officers of the Company and its subsidiaries (comprising Directors and key personnel) in the form of a Code of Best Practices on Securities Dealings to govern and regulate transactions relating to securities in the Company. The Code of Best Practices on Securities Dealings is based on the best practices on dealings in securities issued by SGX-ST and has been circulated to all relevant parties.

The Company issues circulars informing the Directors and key personnel that they, while in possession of price-sensitive information, must not trade in the listed securities of the Company one month before the announcement of the Company's full year results and before half-yearly results and ending on the date of the announcement of such results. They are also informed not to deal in the Company's securities on short-term considerations.

The Directors are required to notify the Company of any dealings in the Company's securities (during the open window period) within two (2) business days of the transactions. The Board is satisfied with the Group's commitment in compliance with the Code.

The Directors and Management are aware, and a new Director or management staff will be briefed, that the Company should comply with the best practice pursuant to Rule 1207(19)(c) of the Listing Manual in not dealing in its securities during the restricted trading periods. The Company has complied with Rule 1207(19)(c) of the Listing Manual.

Material Contracts

The Group has not entered into any material contracts for FY2021.

CORPORATE GOVERNANCE REPORT

Interested Party Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported to the AC and the transactions are carried out at arm's length and under normal commercial terms. The details of interested person transactions for FY2021 are set out below:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions for year ended 31 July 2021 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) \$'000	Aggregate value of all hospitality-related transactions for year ended 31 July 2021 which are conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)* \$'000
ICP Ltd. and its subsidiaries - Provision of hotel management, technical, project management and other services to a subsidiary of the Company	Mr Aw Cheok Huat, who is a Non-Independent Non-Executive Director of the Company, is the controlling shareholder of ICP Ltd.	Nil	226

The Company had on 27 November 2020 obtained shareholders' approval for the renewal of a general mandate authorizing the Group to enter into certain interested person transactions with ICP Ltd and its subsidiaries ("IPT Mandate"). The IPT Mandate is subject to renewal by shareholders on an annual basis, and will be put to shareholders' approval at the forthcoming annual general meeting of the Company.

CODE OF CONDUCT AND PRACTICES

The Group recognises the importance of integrity, professionalism on the conduct of its business activities. Employees are expected to embrace, practice and adopt these values while performing their duties and always to act in the best interests of the Group and avoid situations that may create conflicts of interest.

ADDITIONAL INFORMATION ON DIRECTORS - APPENDIX 7.4.1 TO THE LISTING RULES

Pursuant to Rule 720(6) of the Listing Rules, the information as set out in Appendix 7.4.1 to the Listing Rules relating to Mr Choong Chee Peng Bert and Mr Lee Kam Seng, being directors who are standing for re-election at the forthcoming AGM is set out on pages 60 to 66 of this Annual Report.

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

Mr Choong Chee Peng Bert and Mr Lee Kam Seng are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 10 November 2021 (“**AGM**”) under Ordinary Resolutions 4 and 3 respectively as set out in the Notice of AGM dated 25 October 2021 (collectively, the “**Retiring Directors**” and each a “**Retiring Director**”).

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to each Retiring Director as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST is set out below:

Name of Director	Choong Chee Peng Bert	Lee Kam Seng
Date of Appointment	25 August 2019	14 June 2019
Date of Last Re-Appointment	13 November 2019	13 November 2019
Age	67	68
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	N.A	N.A
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	The appointment is Executive. Mr Lee Kam Seng will take charge of the Company’s management team as the Executive Director of the Company
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Nominating Committee and member of the Remuneration Committee and Audit Committee of the Company	Executive Director
Professional Qualifications	Higher Stage Group Diploma in Marketing	ACCA (UK)
Working experience and occupation(s) during the past 10 years	2011 – Current International Furniture Fair Singapore Pte Ltd, Director 2002 – Current Singapore Furniture Industries Council, Presidential Advisor 1993 – 2013 Boss Design International Pte Ltd, Director	June 2019 – Current Datapulse Technology Limited, Executive Director December 2015 – June 2019 Datapulse Technology Limited, Chief Financial Officer/Interim Chief Executive Officer August 2008 – November 2014 Jian Huang Construction Co Pte Ltd, Chief Financial Officer

CORPORATE GOVERNANCE REPORT

Name of Director	Choong Chee Peng Bert	Lee Kam Seng
	1994 – 2013 Marquis Furniture Gallery Pte Ltd, Director 1999 – 2013 Buylateral Group Pte Ltd, Director 1996 – 2013 Nobel Design Holdings Limited, Executive Chairman 1982 – 1995 Nobel Design Holdings Pte Ltd, Managing Director	
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive director, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Past (for the last 5 years)	Shelford Terraces Pte Ltd ACT-Nobel Homes Pte Ltd Astrid Hill Residences Pte Ltd Nobel Design Holdings Pte Ltd (formerly known as Nobel Design Holdings Ltd) JBT Investments Pte Ltd Urban Lofts Pte Ltd MNC Indo Vest	Wayco Manufacturing (M) Sdn Bhd One Global Inc.

CORPORATE GOVERNANCE REPORT

Name of Director	Choong Chee Peng Bert	Lee Kam Seng
Present	International Furniture Fair Singapore Pte Ltd MHI MY1 Pte Ltd Studio 216 Sdn Bhd	Datapulse Pte Ltd Datapulse Investment Pte Ltd KPH Pte Ltd KPH Top Pte Ltd Capiti Investments Pte Ltd KPH 2 Pte Ltd SPH 1 Pte Ltd SPH Top Pte Ltd Capiti Asset Management Pte Ltd RK One Hotel Management LLC
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes HQO Design Pte Ltd was wound up compulsorily on the ground of insolvency in 2014. It was a subsidiary of Nobel Design Holding Limited, of which Mr Choong was the Managing Director/Executive Chairman from 1982 to 2013. He is not aware of the circumstances behind the compulsory winding up of HQO Design Pte Ltd in 2014.	No

CORPORATE GOVERNANCE REPORT

Name of Director	Choong Chee Peng Bert	Lee Kam Seng
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

CORPORATE GOVERNANCE REPORT

Name of Director	Choong Chee Peng Bert	Lee Kam Seng
<p>(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?</p>	No	No
<p>(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?</p>	No	No
<p>(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?</p>	No	No
<p>(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?</p>	No	No

CORPORATE GOVERNANCE REPORT

Name of Director	Choong Chee Peng Bert	Lee Kam Seng
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	<p>Yes</p> <p>Datapulse Technology Limited has received Notices of Compliance dated (i) 23 February 2018 and 4 April 2018 relating to the undertaking of independent review of internal controls and corporate governance practices of the Company and (ii) 19 July 2019 relating to the entry into certain hospitality-related agreements with ICP Ltd and its subsidiaries and associated companies.</p> <p>Please refer to the Company's announcements dated 23 February 2018, 4 April 2018 and 19 July 2019 for further details.</p>
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

CORPORATE GOVERNANCE REPORT

Name of Director	Choong Chee Peng Bert	Lee Kam Seng
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere	No	No

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Datapulse Technology Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position of the Company for the financial year ended 31 July 2021.

1. Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

Aw Cheek Huat
 Choong Chee Peng Bert
 Lee Kam Seng
 Lau Yan Wai
 Teo Choon Kow @ William Teo

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), except as disclosed below:

	Direct interest		Deemed interest	
	At beginning of financial year	At end of financial year	At beginning of financial year	At end of financial year
<u>The Company</u>				
<u>Ordinary shares</u>				
Aw Cheek Huat	10,000	10,000	21,900,000	21,900,000

By virtue of Section 7 of the Act, Aw Cheek Huat is deemed to have an interest in all wholly owned subsidiaries of the Company

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 August 2021.

DIRECTORS' STATEMENT

5. Share options

There were no options granted by the Company during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under options granted by the Company as at the end of the financial year.

6. Audit committee

At the date of this statement, the Audit Committee ("AC") comprises of three members, of whom all, including the Chairman, are independent non-executive directors and have recent and relevant accounting and/or related financial management expertise or experience. The members are as follows:

Teo Choon Kow @ William Teo	Chairman, Independent Non-Executive Director
Choong Chee Peng Bert	Member, Independent Non-Executive Director
Lau Yan Wai	Member, Independent Non-Executive Director

The AC performs the functions specified by Section 201B(5) of the Singapore Companies Act, Chapter 50, the SGX Listing Manual and the Code, and assists the Board in the execution of its corporate governance responsibilities within its established terms of reference.

The AC has held 7 meetings during the last financial year. The AC also oversees the overall policy setting and administration of the Company's whistle blowing policy and procedures, which serves to provide the employees of the Company a formal channel to raise concerns in confidence about possible improprieties in matters of financial reporting and other matters directly to the AC. All concerns can be reported by email or by letter to the AC Chairman's office which will then be forwarded to the AC Chairman of the Company. They will assess whether action or review is required.

In performing its functions, the AC meets periodically with the Company's external and internal auditors and with management to review accounting, auditing and financial reporting matters, as well as the Group's risk management and internal control systems covering financial, operational, compliance and information technology controls. In addition, the AC will meet with the Company's external and internal auditors without the presence of management at least once a year to discuss matters concerning the Group.

The duties of the AC, amongst others, include reviewing the following:

- internal and external auditors' audit plans and the scopes of examination;
- results of the audits and their effectiveness;
- independence and objectivity of the external auditors, taking into account the nature and extent of non-audit services performed by the external auditors;
- adequacy and effectiveness of the Group's risk management and internal control systems, including reporting to the Board at least annually the results of its review;

DIRECTORS' STATEMENT

6. Audit committee *(Continued)*

The duties of the AC, amongst others, include reviewing the following: (Continued)

- making recommendation to the Board on proposals to shareholders on the terms of engagement, appointment, re-appointment, remuneration, and removal of external auditors;
- hiring, re-hiring, removal, evaluation and compensation of out-sourced internal auditors;
- periodic results announcements prior to their submission to the Board for approval;
- audited financial statements of the Group and the Company prior to their submission to the Board for approval;
- significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group;
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual); and
- all cases of whistle blowing, in particular, the adequacy and independence of investigation and resolution for those significant cases.

The AC has full access to management and senior executives, and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or senior executive to attend its meetings.

The AC may also examine, within its terms of reference, any matters pertaining to the Group's affairs and monitor the Group's compliance with legal, regulatory and contractual obligations.

In addition to the activities undertaken to fulfil its responsibilities, the AC is kept abreast by management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

- The AC has reviewed and concurred with external auditors on the key audit matters identified. For more information on the key audit matters, please refer to pages 72 to 75.

For the financial year under review, there are no non-audit services provided by the external auditors. The AC has met with the external and internal auditors without the presence of management. The aggregate amount of audit fees paid and payable by the Group to the external auditors for financial year ended 31 July 2021 was \$122,000. There were no non-audit fees paid to the external auditors. In appointing the audit firm, Mazars LLP, for the audit of financial year ended 31 July 2021, the AC is satisfied that the Company has complied with the requirements of Rules 712, 715 and 716 of the SGX Listing Manual. AC meetings are held regularly before the official announcement of results.

Having reviewed Mazars LLP's performance, the AC has recommended to the Board that Mazars LLP be nominated for re-appointment as auditors for the financial year ending 31 July 2022 at the forthcoming AGM of the Company.

DIRECTORS' STATEMENT

7. Auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Aw Cheok Huat
Director

Singapore

22 October 2021

Lee Kam Seng
Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Datapulse Technology Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 July 2021, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 78 to 133.

In our opinion, the accompanying financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2021 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Basis for Opinion

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

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

Scope of audit

For the audit of the current financial year's financial statements, we identified 6 significant components which required either full scope audit or specific audit of their financial information, either because of their size or/and their risk characteristics.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

Report on the Audit of Financial Statements *(Continued)*

Scope of audit *(Continued)*

These significant components were audited by other Mazars offices as component auditors under our instructions. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

Area of focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgements and estimates made by directors.

Key Audit Matters

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

Key audit matter 1	Our audit response
<p>Valuation of investment in unquoted equity investments (refer to Note 3.2, 11 and 21(d) to the financial statements)</p> <p>As at 31 July 2021, the Group has long-term investments in unquoted equity securities amounting to \$3.1 million which are carried at fair value through other comprehensive income in accordance with SFRS(I) 9 <i>Financial Instruments</i>. These investments pertain to a 15% interest and a 5% interest in entities holding hospitality assets, Travelodge Myeongdong Euljiro and Travelodge Harbourfront Singapore located in Seoul and Singapore, respectively.</p> <p>Management has engaged independent external valuer to assist the Group in determining the fair value of these unquoted equity investments.</p>	<p>Our audit procedures included, and were not limited to the following:</p> <p>We obtained our understanding of the process and key controls over the Group's valuation process.</p> <p>We obtained and reviewed management's valuation of the unquoted equity investments by performing the following:</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the valuation methodology in accordance with the requirements of SFRS(I) 13 <i>Fair Value Measurement</i>; • Evaluated the objectivity and competency of the external valuer and read the terms of engagement to determine whether there were any limitation in the scope of work or matters that might affect the objectivity of the external valuer;

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

Report on the Audit of Financial Statements *(Continued)*

Key Audit Matters *(Continued)*

Key audit matter 1 (Continued)	Our audit response
<p>Valuation of investment in unquoted equity investments (refer to Note 3.2, 11 and 21(d) to the financial statements)</p> <p>In addition, as disclosed and explained in more detail in Note 3.2 <i>Key sources of estimation uncertainty</i>, there was an increase in the level of estimation uncertainty in determining the fair value of the unquoted equity investments as at 31 July 2021 arising from the changes in market and economic conditions brought on by the COVID-19 pandemic.</p> <p>We have identified the valuation of unquoted equity investments as a key audit matter because of the significance of the carrying amounts and the use of significant management judgment and a range of estimates in determining the fair value of these unquoted equity investments.</p>	<p>We obtained and reviewed management's valuation of the unquoted equity investments by performing the following: (Continued)</p> <ul style="list-style-type: none"> • Read the external valuation report, inquired with the external valuer and obtained explanations to support the selection of valuation methodology, valuation adjustments made in light of the increased estimation uncertainty as well as the key assumptions including the cash flows and capitalisation rates; • Involved our internal valuation resources in assessing the appropriateness of the valuation methodology and the reasonableness of the valuation assumptions and inputs used by management as disclosed in Note 21(d) to the financial statements and performed sensitivity analysis on the fair value by simulating reasonable changes in the key assumptions in light of the increased estimation uncertainty in market and economic conditions brought on by the COVID-19 pandemic; and • Reviewed the adequacy of the disclosures in the financial statements relating to key sources of estimation uncertainty, investment securities, fair value of assets or liabilities, and level 3 fair value measurements, respectively, which are fundamental to users' understanding of this matter. They comprise key assumptions, estimation uncertainty and sensitivity of the fair value, including information that the fair value of the unquoted equity investments recorded in the Group's balance sheet as at 31 July 2021 was estimated based on conditions prevailing on that date.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

Report on the Audit of Financial Statements *(Continued)*

Key Audit Matters *(Continued)*

Key audit matter 2	Our audit response
<p>Impairment assessment of freehold property classified under property, plant and equipment (refer to Note 3.2 and 9 to the financial statements)</p> <p>As at 31 July 2021, the Group's freehold property which comprise the land and building of Travelodge Myeongdong City Hall ("TLMC") in Seoul, South Korea, amounted to \$45.6 million.</p> <p>Management has engaged independent external valuer to assist the Group in determining the recoverable amount of the freehold property.</p> <p>In addition, as disclosed and explained in more detail in Note 3.2 <i>Key sources of estimation uncertainty</i>, there was an increase in the level of estimation uncertainty in determining the recoverable amount of the freehold property as at 31 July 2021 arising from the changes in market and economic conditions brought on by the COVID-19 pandemic.</p> <p>We have identified the impairment assessment of freehold property as a key audit matter due to the significance of the carrying amount of the property and the use of management judgment and a range of estimates in determining the recoverable amount of the freehold property.</p>	<p>Our audit procedures included, and were not limited to the following:</p> <p>We obtained and reviewed management's assessment of impairment indicators for the Group's freehold property.</p> <p>We obtained and reviewed management's assessment of the recoverable amount of the Group's freehold property by performing the following:</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the methodology used by the external valuer to estimate the value in use; • Evaluated the objectivity and competency of the external valuer and read the terms of engagement to determine whether there were any limitation in the scope of work or matters that might affect the objectivity of the external valuer; • Read the external valuation report, inquired with the external valuer and obtained explanations to support the selection of methodology, adjustments made in light of the increased estimation uncertainty as well as the key assumptions including the cash flows and capitalisation rates;

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

Report on the Audit of Financial Statements *(Continued)*

Key Audit Matters (Continued)

Key audit matter 2 (Continued)	Our audit response
<p>Impairment assessment of freehold property classified under property, plant and equipment (refer to Note 3.2 and 9 to the financial statements)</p>	<p>We obtained and reviewed management's assessment of the recoverable amount of the Group's freehold property by performing the following: (Continued)</p> <ul style="list-style-type: none"> Involved our internal valuation resources in assessing the appropriateness of the methodology and the reasonableness of the assumptions and inputs used by management as disclosed in Note 9 to the financial statements and performed sensitivity analysis on the recoverable amount by simulating reasonable changes in the key assumptions in light of the increased estimation uncertainty in market and economic conditions brought on by the COVID-19 pandemic; and Reviewed the adequacy of the Group's disclosures in the financial statements relating to key sources of estimation uncertainty, and property, plant and equipment, respectively, which are fundamental to users' understanding of this matter. They comprise key assumptions, estimation uncertainty and sensitivity of the recoverable amount, including information that the impairment recorded in the Group's financial statements as at 31 July 2021 was estimated based on conditions prevailing on that date.

Other Matter

The financial statements of the Group and Company for the year ended 31 July 2020 were audited by another firm of auditors who had expressed an unmodified opinion in their report dated 16 October 2020.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

Report on the Audit of Financial Statements *(Continued)*

Other Information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

Report on the Audit of Financial Statements *(Continued)*

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Quek Siew Eng.

MAZARS LLP

Public Accountants and
Chartered Accountants

Singapore
22 October 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

	Note	Group	
		2021 \$'000	2020 \$'000
Revenue	4	1,040	2,714
Other income	5	684	668
		1,724	3,382
Fair value loss on short-term investments		-	(808)
Loss on disposal of investments		-	(130)
Staff costs		(1,348)	(1,854)
Depreciation of property, plant and equipment and right-of-use assets		(1,251)	(845)
Finance costs	6	(892)	(935)
Hotel operating expenses		(303)	(1,272)
Impairment of freehold property		-	(1,940)
Other operating expenses		(1,482)	(2,080)
Loss before taxation	7	(3,552)	(6,482)
Taxation	8	(113)	730
Loss for the year		(3,665)	(5,752)
Other comprehensive loss:			
Components of other comprehensive loss that will not be reclassified to profit or loss, net of taxation			
Net loss on equity instruments designated at fair value through other comprehensive income		(1,597)	(560)
Components of other comprehensive loss that will be reclassified to profit or loss, net of taxation			
Foreign currency translation differences relating to foreign subsidiaries		579	(149)
Total other comprehensive loss, net of taxation		(1,018)	(709)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(4,683)	(6,461)
Loss attributable to:			
Owners of the Company		(3,665)	(5,752)
Total comprehensive loss attributable to:			
Owners of the Company		(4,683)	(6,461)
Loss per share attributable to owners of the Company			
Basic and diluted loss per share (cents)	19	(1.67)	(2.63)

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
					(Restated)
ASSETS					
Non-current assets					
Property, plant and equipment	9	46,080	44,228	37	45
Right-of-use assets	10	59	307	59	307
Investment securities	11	3,098	4,695	-	-
Long-term deposit	13	-	1,150	-	-
Long-term receivables	13	5,629	5,167	-	-
Subsidiaries	12	-	-	35,795	36,773
Deferred tax assets	16	-	348	-	348
Total non-current assets		54,866	55,895	35,891	37,473
Current assets					
Trade and other receivables	13	1,700	432	395	92
Prepayment		63	113	48	49
Investment securities	11	4,173	4,805	4,173	4,805
Cash and bank balances	14	29,346	33,886	27,500	32,052
Total current assets		35,282	39,236	32,116	36,998
TOTAL ASSETS		90,148	95,131	68,007	74,471
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	17	749	1,214	215	819
Current tax payable		597	985	560	985
Loan and borrowings	18	21,174	1,700	42	1,700
Lease liabilities	10	54	204	54	204
Total current liabilities		22,574	4,103	871	3,708
Net current assets		12,708	35,133	31,245	33,290
Non-current liabilities					
Loan and borrowings	18	1,958	20,628	1,958	-
Lease liabilities	10	6	107	6	107
Total non-current liabilities		1,964	20,735	1,964	107
Total liabilities		24,538	24,838	2,835	3,815
Net assets		65,610	70,293	65,172	70,656
Equity attributable to owners of the Company					
Share capital	15	32,992	32,992	32,992	32,992
Reserves	15	32,618	37,301	32,180	37,664
Total equity		65,610	70,293	65,172	70,656
TOTAL LIABILITIES AND EQUITY		90,148	95,131	68,007	74,471

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

Group	Attributable to owners of the Company					Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Fair value adjustment reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	
Balance at 1 August 2020	32,992	(187)	(560)	(1,423)	39,471	70,293
Total comprehensive loss for the financial year						
Loss for the year	-	-	-	-	(3,665)	(3,665)
Other comprehensive loss						
Net loss on equity instruments designated at fair value through other comprehensive income	-	-	(1,597)	-	-	(1,597)
Foreign currency translation differences relating to foreign subsidiaries	-	-	-	579	-	579
Total other comprehensive loss	-	-	(1,597)	579	-	(1,018)
Total comprehensive loss for the financial year	-	-	(1,597)	579	(3,665)	(4,683)
Balance at 31 July 2021	32,992	(187)	(2,157)	(844)	35,806	65,610
Balance at 1 August 2019	32,992	(187)	-	1,274	46,318	77,849
Total comprehensive loss for the financial year						
Loss for the year	-	-	-	-	(5,752)	(5,752)
Other comprehensive loss						
Net loss on equity instruments designated at fair value through other comprehensive income	-	-	(560)	-	-	(560)
Foreign currency translation differences relating to foreign subsidiaries	-	-	-	(149)	-	(149)
Total other comprehensive loss	-	-	(560)	(149)	-	(709)
Total comprehensive loss for the financial year	-	-	(560)	(149)	(5,752)	(6,461)
Transactions with owners, recorded directly in equity						
Distributions to owners						
Final one-tier tax exempt dividends paid to 0.5 cent per share for FY2019 (Note 15)	-	-	-	-	(1,095)	(1,095)
Total distributions to owners	-	-	-	-	(1,095)	(1,095)
Total transactions with owners	-	-	-	-	(1,095)	(1,095)
Balance at 31 July 2020	32,992	(187)	(560)	(1,423)	39,471	70,293

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

	Note	Group	
		2021 \$'000	2020 \$'000
Operating activities			
Loss before taxation		(3,552)	(6,482)
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets	9, 10	1,251	845
Finance costs	6	892	935
Loss on disposal of property, plant and equipment		2	4
Fair value (gain)/loss on short-term investment securities		(55)	808
Impairment loss recognised on property, plant and equipment	9	-	1,940
Interest income	5	(125)	(610)
Operating cash flows before movements in working capital		(1,587)	(2,560)
Changes in working capital:			
Inventories		-	3
Trade and other receivables		(547)	972
Prepayment		50	(63)
Short-term investment securities		687	3,183
Trade and other payables		(464)	(74)
Cash (used in)/generated from operations		(1,861)	1,461
Tax (paid)/refund		(153)	338
Net cash flows (used in)/generated from operating activities		(2,014)	1,799
Investing activities			
Loans to third parties		-	(249)
Prepayment of loan to third party		-	(190)
Interest received		125	610
Proceeds from sale of plant and equipment		-	4
Purchase of property, plant and equipment	9	(1,901)	(3,248)
Net cash flows used in investing activities		(1,776)	(3,073)
Financing activities			
Dividends paid		-	(1,095)
Repayment of borrowings		(581)	(1,895)
Repayment of lease liabilities		(204)	(215)
Net cash flow used in financing activities		(785)	(3,205)
Net decrease in cash and cash equivalents		(4,575)	(4,479)
Cash and cash equivalents at beginning of financial year		33,886	38,363
Effect of exchange rate changes on balances held in foreign currency		35	2
Cash and cash equivalents at end of financial year	14	29,346	33,886

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

Reconciliation of asset/liabilities arising from financing activities

	1 August 2020 \$'000	Financing cash outflows \$'000	Non-cash movements			31 July 2021 \$'000
			Remeasurement adjustments \$'000	Interest expenses \$'000	Foreign exchange movement \$'000	
Liabilities						
Bank borrowings	22,328	(581)	-	881	504	23,132
Lease liabilities	311	(204)	(58)	11	-	60

	1 August 2019 \$'000	Financing cash outflows \$'000	Non-cash movements			31 July 2020 \$'000
			Acquisition \$'000	Interest expenses \$'000	Foreign exchange movement \$'000	
Liabilities						
Bank borrowings	23,389	(1,895)	-	920	(86)	22,328
Lease liabilities	-	(215)	511	15	-	311

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

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

1. GENERAL

Datapulse Technology Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore with its principal place of business and registered office at 8 Shenton Way, #09-01 AXA Tower, Singapore 068811.

The principal activities of the Company are investment holding and investment trading. The principal activities of its subsidiaries are disclosed in Note 12 to the financial statements

The financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 July 2021 were authorised for issue by the directors on the date of Directors' Statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including the related interpretations of SFRS(I) ("SFRS(I) INTs") and are prepared on a historical cost basis except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("S") which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("S'000"), unless otherwise indicated.

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 August 2020. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

SFRS(I) and SFRS(I) INT issued but not yet effective

At the date of authorisation of these statements, the following SFRS(I) and SFRS(I) INT that are relevant to the Group were issued but not yet effective:

SFRS	Title	Effective date (annual periods beginning on or after)
Various	Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: <i>Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
SFRS(I) 16	Amendment to SFRS(I) 16: <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
SFRS(I) 3	Amendments to SFRS(I) 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
SFRS(I) 1-16	Amendments to SFRS(I) 16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
SFRS(I) 1-37	Amendments to SFRS(I) 37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Various SFRS(I) 10, SFRS(I) 1-28	Annual Improvements to SFRS(I)s 2018-2020 Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2022 To be determined
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
SFRS(I) 17	Amendments to SFRS(I) 17: <i>Insurance contracts</i>	1 January 2023
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of aforementioned SFRS(I). While they are still determining and finalising the impact, as of the date of preparation of this report, management does not expect a material impact from the adoption of the aforementioned accounting standards on the financial statements of the Group in the period of their initial adoption.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from them through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 Financial Instruments ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

2.3 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity through other comprehensive income.

Exchange differences relating to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

2.4 Property, plant and equipment *(Continued)*

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

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

Freehold property*	50 years
Office equipment	3 to 10 years
Furniture and fittings	5 to 10 years
Renovation	5 to 8 years

* Freehold land and building are collectively classified as "Freehold property".

No depreciation is charged on work-in-progress as they are not yet in use as at the end of the financial year.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to accumulated profits directly.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

2.5 Impairment of non-financial assets

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

2.5 Impairment of non-financial assets *(Continued)*

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

2.6 Financial Instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Financial assets

Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15") in Note 2.12.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

2.6 Financial Instruments *(Continued)*

Financial assets *(Continued)*

Initial recognition and measurement *(Continued)*

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVPL"). The classification at initial recognition depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

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

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets held at FVOCI

A financial asset that is an investment in debt instrument is subsequently measured at FVOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Gains or losses are recognised in other comprehensive income, except for impairment gains or losses, foreign exchange gains or losses and interest which are recognised in profit or loss.

At initial recognition, the Group may make an irrevocable election to classify its investment in equity instruments, for which the equity instrument is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3, as subsequently measured at FVOCI so as to present subsequent changes in fair value in other comprehensive income. The election is made on an investment-by-investment basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Financial Instruments (Continued)

Financial assets (Continued)

Financial assets held at FVOCI (Continued)

Upon derecognition, other than the aforementioned equity instruments for which their subsequent cumulative fair value changes would be transferred to accumulated profits, the cumulative fair value changes recognised in other comprehensive income is recycled to profit or loss.

Dividends from equity instruments are recognised in profit or loss only when the Group's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Financial assets held at FVPL

A financial asset is subsequently measured at FVPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVOCI, or is irrevocably elected at initial recognition to be designated FVPL if, by designating the financial asset as FVPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost and debt instruments measured at FVOCI. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group uses a practical expedient to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

2.6 Financial Instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

While they are not financial assets, contract assets arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 23.

Derecognition of financial assets

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Financial Instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Group commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.9). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Derecognition of financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

2.7 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

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

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and demand deposits which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

2.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

2.10 Leases

At inception of a contract, the Group assessed whether the 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.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Leases (Continued)

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 Leases ("SFRS(I) 16"). For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

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, less any lease incentives received, 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.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When 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, 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, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office space	3 years
Motor vehicle	2 years
Office equipment	5 years

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 lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- 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,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

2.10 Leases *(Continued)*

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset has been reduced to zero.

The Group as a lessor

Where a contract contains more than one lease and/or non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component.

At the lease commencement date, the Group assess and classify each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Operating Leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.11 Income tax

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

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

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

2.11 Income tax *(Continued)*

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

2.12 Revenue recognition

Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised goods or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service.

(a) Hotel operations revenue

Revenue derived from hotel operations include rental of rooms and food and beverage sales.

(i) Rental of rooms

Revenue is recognised over time for the occupancy of rooms.

(iii) Sales of food and beverages

Revenue is recognised at the point of sales of food and beverages.

(b) Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and recognised over time. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(c) Dividend income

Dividend income is recognised in profit or loss at a point in time when the Group's right to receive payment is established.

(d) Interest income

Interest income is recognised over time using the effective interest method.

(e) Asset management revenue

Revenue arising from the provision of asset management services are recognised when services are rendered over time.

(f) Gains on disposal of investment securities at FVPL

Profits from sale of investment securities at FVPL are recognised at a point in time upon conclusion of the contract for sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

2.13 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

2.14 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

The Group participates in the national pension schemes as defined by the respective laws and jurisdictions of the country. Subsidiaries incorporated in their respective countries are required to provide staff pension benefits to their employees under existing countries' legislation. These subsidiaries are required to contribute a certain percentage of their payroll costs to the pension scheme to fund the benefits. The pension funds are managed by government agencies, which are responsible for paying pensions to the retired employees. Contributions under the pension scheme are charged to the profit or loss as they become payable in accordance with the rules of the pension scheme.

2.15 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.16 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.17 Contingencies

A contingent liability is:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

2.17 Contingencies *(Continued)*

- (b) A present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive director and the board of directors who make strategic decisions.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments which has the most significant effect on the amounts recognised in the financial statements:

Impairment assessment for freehold property

The Group assesses at each reporting date whether there is an indication that the freehold property may be impaired. Determining whether there are indicators of impairment require judgments. In making these judgments, the Group evaluates, among other factors, the evidence of obsolescence or physical damage, economic performance of the freehold property, and any significant decline during the period in the asset's value. The carrying amount of the Group's freehold property is disclosed in Note 9 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

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

3.1 Critical judgements made in applying the Group's accounting policies *(Continued)*

Classification and measurement of equity instruments as FVOCI

The Group intends to hold its unquoted equity instruments for an indefinite period and may sell the investment in response to liquidity needs or in response to changes in the market conditions. Therefore, management has concluded that these equity instruments are not held for trading and has elected to classify and measure these equity instruments at FVOCI.

Determination of functional currency

The Group translates foreign currency items into the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences its revenue streams and the economic environment. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate.

Taxation

The Group has exposure to income and other taxes in various jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payable and net deferred tax assets at 31 July 2021 are \$597,000 (2020: \$985,000) and Nil (2020: \$348,000) respectively.

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment assessment of investment in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired. Where applicable, the Company's assessments are based on the estimation of the value-in-use of the assets defined in SFRS(I) 1-36 *Impairment of Assets* by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investments in subsidiaries as at 31 July 2021 was \$35,795,000 (2020: \$36,773,000) (Note 12).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

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

3.2 Key sources of estimation uncertainty *(Continued)*

Impairment assessment for freehold property

The Group carries its freehold property at cost less accumulated depreciation and any accumulated impairment losses. Management reviews the carrying value of the freehold property and assesses if there is any indication of impairment in its freehold property by considering the related hotel asset's operating performance and evaluating if the hotel's performance is in line with the assumptions applied in the most recent hotel valuation.

In addition, management assesses, on an annual basis, whether there are triggering events, such as adverse changes in expected occupancy rates, discount rates, revenue growth rates and the competitive landscape in local markets, indicating potential impairment. Management engages an independent external valuer in Singapore to determine the recoverable value of the freehold property. Management reviews the valuation carried out by the external valuer and adopts the valuation as recoverable value.

The determination of the recoverable value of the freehold property involves the use of a range of estimates (amongst others, capitalisation rates and discount rates) made by management and the external valuer. There was an increase in the level of estimation uncertainty in determining the valuation of the unquoted equity instrument as at 31 July 2021 arising from the changes in market and economic conditions brought on by the COVID-19 pandemic.

The carrying amount and key assumptions used to determine the recoverable value of the Group's freehold property at the end of the financial year is disclosed in Note 9 to the financial statements.

Valuation of investments in unquoted equity instruments

The Group carries its investment in unquoted equity instruments at fair value, with changes in fair value being recognised in other comprehensive income.

Management engages an independent external valuer in Singapore to determine the fair value of the unquoted equity instrument. Management reviews the valuation carried out by the external valuer and adopts the valuation as fair value.

The determination of the fair value of the unquoted equity instrument involves the use of a range of estimates (amongst others, capitalisation rates and discount rates) made by management and the external valuer. There was an increase in the level of estimation uncertainty in determining the valuation of the unquoted equity instrument as at 31 July 2021 arising from the changes in market and economic conditions brought on by the COVID-19 pandemic.

The carrying amount and key assumptions used to determine the fair value of the Group's unquoted equity instruments at the end of the financial year are disclosed in Note 21(d) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

4. REVENUE

	(a)	Group	
		2021 \$'000	2020 \$'000
Revenue from contracts with customers		830	2,402
Gain on disposal of investment securities at FVPL		74	-
Dividend income from equity investments at FVPL		118	173
Interest income on bond investments at FVPL		18	139
		1,040	2,714

(a) Disaggregation of revenue:

Segments	Hotel		Asset management		Total revenue	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Primary geographical markets						
Singapore	-	-	201	537	201	537
Korea	629	1,865	-	-	629	1,865
Total revenue from contracts with customers	629	1,865	201	537	830	2,402
Major revenue streams						
Hotel operations revenue						
- Room	535	1,299	-	-	535	1,299
- Food and beverage	49	387	-	-	49	387
- Sauna	-	96	-	-	-	96
- Others	45	83	-	-	45	83
Asset management fees	-	-	201	537	201	537
Total revenue from contracts with customers	629	1,865	201	537	830	2,402

The Group has applied the practical expedient permitted under SFRS(I) 15 for those performance obligations which are part of contracts that have an original expected duration of one year or less.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

5. OTHER INCOME

	Group	
	2021 \$'000	2020 \$'000
Fair value gain on short-term investments at FVPL	55	–
Interest income from banks	125	610
Other income	19	58
Government grants	485	–
	684	668

The Group has been awarded certain government grants for which the grant income was recognised in other income. The grant income relating to Jobs Support Scheme amounted to \$371,000, and the corresponding expenses were recognised in staff costs. Grant receivables of \$302,000 were recognised in trade and other receivables (Note 13).

6. FINANCE COSTS

	Group	
	2021 \$'000	2020 \$'000
Interest expenses on leases	11	15
Interest expenses on bank borrowings	881	920
	892	935

7. LOSS BEFORE TAXATION

Loss before taxation for the year has been arrived at after charging/(crediting) the following items:

	Group	
	2021 \$'000	2020 \$'000
Audit fees	122	196
Professional fees	430	607
Legal fees	–	41
Annual repost and annual/extraordinary general meeting expenses	16	50
Commissions and brokerage fees	6	40
Central Depository and Singapore Exchange Listing expenses	52	70
Management fee expenses	166	162
Rebranding fees	53	165
Operating lease expense	12	4
Exchange loss – net	1	27
Directors' fees	200	253
Directors' remuneration other than fees:		
– Directors of the Company	135	165
– Post-employment benefits – CPF contribution	5	5
Staff costs (excluding directors' remuneration)	1,013	1,436
Contributions to defined contribution plans, included in staff costs	83	115

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

8. TAXATION

	Group	
	2021 \$'000	2020 \$'000
Current tax expense		
Current financial year	8	-
Withholding tax arising from interest income from subsidiaries	172	-
Over provision in respect of prior financial year	(415)	(338)
Deferred tax expense		
Origination and reversal of temporary differences (Note 16)	348	(392)
Income tax expenses/(credit)	<u>113</u>	<u>(730)</u>

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2020: 17%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year from the last year.

Reconciliation of effective tax rate is as follows:

	Group	
	2021 \$'000	2020 \$'000
Loss before taxation	<u>(3,552)</u>	<u>(6,482)</u>
Tax at the domestic rates applicable to profits in the respective countries	(813)	(1,438)
Tax effects of:		
- Income not subject to tax	(93)	(30)
- Non-deductible expenses	32	97
- Effect of partial tax exemptions and tax relief	(53)	(21)
- Effect of tax losses not allowed for carry-forward	658	1,062
- Tax losses for which no deferred tax assets are recognised	214	-
- Withholding tax arising from interest income from subsidiaries	172	-
- Overprovision in respect of prior financial years	(415)	(338)
- Write down of deferred tax assets	348	-
- Others	63	(62)
Total income tax expense/(credit) for the financial year	<u>113</u>	<u>(730)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

9. PROPERTY, PLANT AND EQUIPMENT

<u>Group</u>	<u>Freehold land \$'000</u>	<u>Freehold building \$'000</u>	<u>Office equipment \$'000</u>	<u>Furniture and fittings \$'000</u>	<u>Work in progress \$'000</u>	<u>Renovation \$'000</u>	<u>Total \$'000</u>
Cost							
At 1 August 2019	29,203	14,441	225	189	-	-	44,058
Additions	-	-	20	154	542	2,532	3,248
Disposals	-	-	(27)	(6)	-	-	(33)
Effect of movement in exchange rates	(151)	(75)	-	(21)	-	-	(247)
Reclassification	-	(95)	-	-	-	95	-
At 31 July 2020	29,052	14,271	218	316	542	2,627	47,026
Additions	-	-	4	195	1,702	-	1,901
Disposals	-	-	-	(47)	-	-	(47)
Effect of movement in exchange rates	631	308	-	6	12	57	1,014
Reclassification	-	-	-	-	(2,256)	2,256	-
At 31 July 2021	29,683	14,579	222	470	-	4,940	49,894
Accumulated depreciation							
At 1 August 2019	-	96	118	28	-	-	242
Depreciation charge for the year	-	296	32	87	-	226	641
Disposals	-	-	(25)	-	-	-	(25)
Reclassification	-	(8)	-	-	-	8	-
At 31 July 2020	-	384	125	115	-	234	858
Depreciation charge for the year	-	297	10	99	-	655	1,061
Disposals	-	-	-	(45)	-	-	(45)
At 31 July 2021	-	681	135	169	-	889	1,874
Accumulated impairment loss							
At 1 August 2019	-	-	-	-	-	-	-
Impairment losses	-	1,940	-	-	-	-	1,940
At 31 July 2020	-	1,940	-	-	-	-	1,940
Impairment losses	-	-	-	-	-	-	-
At 31 July 2021	-	1,940	-	-	-	-	1,940
Carrying amounts							
At 31 July 2020	29,052	11,947	93	201	542	2,393	44,228
At 31 July 2021	29,683	11,958	87	301	-	4,051	46,080

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 July 2021, the Group's freehold property with carrying amount of \$45,692,000 (2020: \$43,934,000) are pledged as security for a subsidiary's bank facility (Note 18).

During the financial year, the Group carried out a review of the recoverable amount of its freehold property within the hotel segment. As the hotel industry has been significantly impacted by the outbreak of Covid-19 pandemic in Korea, the management has determined there is indication of impairment for the property in the current financial year. As at 31 July 2021, an impairment loss of \$Nil (2019: \$1,940,000), representing the write-down of the freehold property to the recoverable amount, was recognised in "Impairment of freehold property" line item of profit or loss. The recoverable amount of the freehold property was based on its value in use and the pre-tax discount rate used was 7.25% (2019: 7.25%) per annum.

	Office equipment \$'000	Furniture and fittings \$'000	Total \$'000
Company			
Cost			
At 1 August 2019	147	21	168
Additions	7	-	7
Disposals	(24)	-	(24)
At 31 July 2020	130	21	151
Additions	4	-	4
At 31 July 2021	134	21	155
Accumulated depreciation			
At 1 August 2019	115	1	116
Depreciation charge for the year	8	2	10
Disposals	(20)	-	(20)
At 30 July 2020	103	3	106
Depreciation charge for the year	10	2	12
At 31 July 2021	113	5	118
Net carrying amount			
At 30 July 2020	27	18	45
At 30 July 2021	21	16	37

10. THE GROUP AS A LESSEE

The Group has commercial lease contracts for office space, motor vehicle and a photocopier. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The leases generally have lease terms between three and five years. The Group is restricted from assigning and subleasing the leased assets to third parties.

Extension option

The Group has several lease contracts with extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management has exercised judgement in determining that these extension options are not reasonably certain to be exercised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

10. THE GROUP AS A LESSEE (CONTINUED)

Recognition exemptions

The Group has certain rental of storage space with lease terms of 12 months or less and/or of low value. For such leases, the Group has elected not to recognise right-of-use assets and lease liabilities.

(a) Carrying amounts of right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year:

	Office space \$'000	Office equipment \$'000	Motor vehicles \$'000	Total \$'000
At 1 August 2019	412	–	86	498
Additions	–	13	–	13
Depreciation expense	(158)	(2)	(44)	(204)
At 31 July 2020	254	11	42	307
Depreciation expense	(145)	(3)	(42)	(190)
Remeasurement adjustment	(58)	–	–	(58)
At 31 July 2021	51	8	–	59

The total cash outflow for leases during the financial year ended 31 July 2021 is \$204,000 (2020: \$215,000).

(b) Lease liabilities

	Group and Company 2021 \$'000	2020 \$'000
Lease liabilities – current	54	204
Lease liabilities – non-current	6	107
	60	311

The maturity analysis of lease liabilities is disclosed in Note 23.

(c) Amount recognised in profit and loss

	Group and Company 2021 \$'000	2020 \$'000
Interest expense on lease liabilities	11	15
Expenses relating to leases of low-value assets	12	4

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

11. INVESTMENT SECURITIES

	Group and Company	
	2021	2020
	\$'000	\$'000
<i>At fair value through profit or loss (FVPL)</i>		
- Equity and debt investments (quoted)	4,173	4,805
	Group	
	2021	2020
	\$'000	\$'000
<i>At fair value through other comprehensive income (FVOCI)</i>		
- Equity investments (unquoted)	3,098	4,695
Net carrying amount		
Current	4,173	4,805
Non-current	3,098	4,695

On 21 June 2019, the Group completed the acquisition of a 15% equity interest in Holiday Inn Express Euljiro, a 224-room midscale hotel located in Seoul for a cash consideration of \$4,800,000. The hotel has since been renamed Travelodge Myeongdong Euljiro.

On 8 August 2019, the Group completed the acquisition of a 5% interest in a hotel located in Singapore that was previously known as "Bay Hotel Singapore". The Group's acquisition comprises a 5% equity interest in the parent company of the hotel, PAM Holdings II (BVI) Ltd, for US\$5, and a shareholder loan to PAM Holdings II (BVI) Ltd. Pursuant to the completion, Travelodge Hotels (Asia) Pte Ltd has been appointed as the hotel operator and the hotel has since been rebranded as "Travelodge Harbourfront Singapore".

Investments in equity instrument designated at fair value through other comprehensive income (FVOCI)

The fair value of each of the investments in equity instruments designated at fair value through other comprehensive income at the end of the financial year is as follows:

	Group	
	2021	2020
	\$'000	\$'000
<i>At fair value through other comprehensive income (FVOCI)</i>		
- Equity investments (unquoted)		
Korea Investment Private Placement Business Hotel REIT No. AI861	3,064	4,474
Pinetree Hotel Management LLC	18	18
Pam Holdings II (BVI) Ltd	16	203
	3,098	4,695

The Group has elected to measure these equity investments at FVOCI due to the Group's intention to hold these equity instruments for long-term capital appreciation.

Details of valuation techniques and inputs used are disclosed in Note 21(d).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

12. SUBSIDIARIES

	Company	
	2021 \$'000	2020 \$'000
Shares, at cost	2	2
Amounts due from subsidiaries	47,147	42,871
Impairment loss	(11,354)	(6,100)
	35,795	36,773

The amounts due from subsidiaries were non-trade in nature, unsecured and interest-free. The settlement of the amounts was neither planned nor likely to occur in the foreseeable future. These amounts were in substance part of the entity's net investment in the subsidiaries.

The movement in the impairment loss in respect of investment in subsidiaries during the year was as follows:

	Company	
	2021 \$'000	2020 \$'000
Beginning of financial year	6,100	-
Impairment losses recognised	5,254	6,100
End of financial year	11,354	6,100

During the year, impairment loss amounting to \$5.3 million (2020: \$6.1 million) was made in respect of the Company's amount due from subsidiaries after taking into account the current financial position of the subsidiaries. The Company's exposure to credit risks related to amount due from subsidiaries is disclosed in Note 23.

As at 31 July 2021, other than Datapulse Investment Pte. Ltd., the Group's other direct and indirect subsidiaries had net current liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

12. SUBSIDIARIES (CONTINUED)

The Company provided a letter of undertaking not to recall the amounts due from these subsidiaries until their respective cash flows permit, and to continue to provide financial support to enable these subsidiaries to meet their liabilities as and when they fall due, for at least twelve months from the issuance date of the financial statements for the year ended 31 July 2021.

Details of the subsidiaries are as follows:

Name of Subsidiary	Principal Activity	Country of incorporation	Effective equity held by the Company	
			2021 %	2020 %
Held directly by the Company				
Datapulse Investment Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
Capiti Investment Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
Capiti Asset Management Pte. Ltd. ⁽¹⁾	Provision of management services	Singapore	100	100
Held through Subsidiaries				
Capikor Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
Datapulse Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
KPH Top Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
KPH Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
KPH 2 Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
SPH Top Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
SPH 1 Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
RK One Hotel Management LLC ⁽²⁾	Hotel operations	Republic of Korea	100	100
IGIS Private Placement Real Estate Investment Trust No. 247 ⁽²⁾	Investment holding	Republic of Korea	100	100

(1) Audited by Mazars LLP, Singapore

(2) Audited by overseas member firm of Mazars LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000 (Restated)
Trade receivables				
- Third parties	-	51	-	-
Other receivables				
- Deposit	1,250	71	72	72
- Interest receivables	63	44	15	20
- GST receivables	57	65	6	-
- Grant receivables	302	-	302	-
- Others	28	201	-	-
Trade and other receivables (current):	1,700	432	395	92
Other receivables (non-current):				
Long-term deposits	-	1,150	-	-
Long-term receivables	5,629	5,167	-	-
	5,629	6,317	-	-
Total trade and other receivables (current and non-current)	7,329	6,749	395	92

The Group and the Company's exposure to credit risks related to trade and other receivables are disclosed in Note 23.

Long-term receivables relate to shareholder loans provided to two companies in which the Group has a 15% (2020: 15%) interest and 5% (2020: 5%) interest respectively. The long-term receivables are interest free, except for the amount of \$949,500 which bears an interest of 3.85% per annum.

Term loan deposit is pledged to a bank for a term loan facility (Note 18) which is repayable in March 2022. The amount was reclassified to deposit under trade and other receivables (current) as at 31 July 2021.

14. CASH AND BANK BALANCES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Fixed deposit	25,652	31,616	25,652	31,616
Cash at bank and on hand	3,694	2,270	1,848	436
Cash and cash equivalents	29,346	33,886	27,500	32,052

The weighted average effective interest rate per annum relating to fixed deposits for the Group and Company is 0.26% (2020: 1.70%). Interest rates reprice upon maturity or rollover of the fixed deposits, at intervals of one to three months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

15. SHARE CAPITAL AND RESERVES

	2021 Number of ordinary shares with no par value	2020 Number of ordinary shares with no par value	2021 \$'000	2020 \$'000
Company				
Issued and fully paid:				
At beginning and end of financial year	219,904,444	219,904,444	32,992	32,992

All shares (excluding treasury shares) rank equally with regards to the Company's residual assets. All issued shares are fully paid, with no par value.

The holders of ordinary shares (excluding treasury 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.

Use of proceeds from private placement

On 11 June 2015, through a private placement exercise, the Company allotted and issued 65,000,000 new ordinary shares to Lian Beng Group Ltd at an issue price of \$0.11235 per share. Total proceeds of \$7,302,750 were raised, of which \$57,596 was utilised for expenses incurred for the issue of the new ordinary shares. The net proceeds of \$7,245,154 are intended to be used for property related businesses, of which an aggregate amount of \$4,939,570 (2020: \$3,168,758) had been utilised for capital expenditure incurred for TLMC as at 31 July 2021 and 2020.

Reserves

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Foreign currency translation reserve	(844)	(1,423)	-	-
Treasury shares	(187)	(187)	(187)	(187)
Fair value adjustment reserve	(2,157)	(560)	-	-
Retained earnings	35,806	39,471	32,367	37,851
	32,618	37,301	32,180	37,664

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Treasury shares

The reserve for the Company's own shares comprises the cost of the Company's shares acquired and held by the Group. As at 31 July 2021, the Group held 829,600 (2020: 829,600) of the Company's shares.

Fair value adjustment reserve

The fair value adjustment reserve represents the cumulative fair value changes, net of tax, of equity instruments at FVOCI until they are disposed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

15. SHARE CAPITAL AND RESERVES (CONTINUED)

Dividends

The following dividends were declared and paid by the Group and Company:

	Group and Company 2021 \$'000	2020 \$'000
Declared and paid during the financial year:		
Final one-tier tax exempt dividend of Nil (2020: 0.50 cent) per ordinary share	-	1,095

During the financial year ended 31 July 2021, there is no dividend declared or paid by the Company.

16. DEFERRED TAX

Deferred tax are attributable to the following:

	Group and Company 2021 \$'000	2020 \$'000
Beginning of financial year	348	(44)
(Charge)/Credit to profit or loss	(348)	392
End of financial year	-	348

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets relate to the same tax authority.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future cash inflows based on expected revenue from its gains on disposal of investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

16. DEFERRED TAX (CONTINUED)

<u>Group and Company</u>	Balance sheet		Income statement	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities				
Differences in depreciation for tax purposes	-	(8)	8	36
Right-of-use assets	-	(52)	52	(52)
	-	(60)		
Deferred tax assets				
Unutilised tax losses	-	312	(312)	312
Unutilised capital allowances	-	10	(10)	10
Lease liabilities	-	53	(53)	53
Others	-	33	(33)	33
	-	408		
Net deferred tax assets	-	348		
Deferred tax (expense)/credit (Note 8)			(348)	392

- (a) At 31 July 2020, deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.
- (b) The following deductible temporary difference has not been recognised:

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Tax losses	2,545	1,284	1,961	1,284

The tax losses are subject to agreement by tax authorities and compliance with tax regulations in the respective countries in which the Company and certain subsidiaries operate. At 31 July 2021, deferred tax assets have not been recognised in respect of the tax losses due to uncertainty in the availability of future taxable profit against which the Group and the Company can utilise the tax losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade payables	48	44	-	-
Accrued operating expenses	468	983	139	553
Amounts due to subsidiaries (non-trade)	-	-	27	240
Deposit received	-	4	-	-
Interest payables	93	93	-	2
Other payables	140	90	49	24
	749	1,214	215	819

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

The Group and the Company's exposure to liquidity risks related to trade and other payables are disclosed in Note 23.

18. LOANS AND BORROWINGS

	Maturity	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current					
Bank loans:					
KRW loan at financial debenture (FD)					
(AAA)* + 1.85% p.a.	2022	21,132	-	-	-
2.75% p.a. fixed rate SGD bank loan A	2026	42	-	42	-
2.75% p.a. fixed rate SGD bank loan B	2020	-	1,700	-	1,700
		21,174	1,700	42	1,700
Non-current					
Term loan:					
KRW loan at financial debenture (FD)					
(AAA)* + 1.85% p.a.	2022	-	20,628	-	-
2.75% p.a. fixed rate SGD bank loan A	2026	1,958	-	1,958	-
Total loans and borrowings		23,132	22,328	2,000	1,700

* FD (AAA) is the average rate of such FD (AAA) published by Korea Financial Investment Association for 10 consecutive Banking days immediately preceding the loan drawdown date.

The 2.75% p.a. fixed rate SGD bank loan A is repayable over 60 monthly instalments and repayment commences in August 2021.

The 2.75% p.a. fixed rate SGD bank loan B was fully repaid during the current financial year.

The KRW loan is secured by a fixed charge over certain freehold land and building of a subsidiary with a carrying amount of \$45,692,000 (2020: \$43,934,000) (Note 9) and a corporate guarantee from the Company. It is due for repayment in March 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

19. LOSS PER SHARE

The calculation of basic and dilutive loss per share at 31 July was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

Loss attributable to ordinary shareholders

	Group \$'000
2021	
Loss attributable to ordinary shareholders	(3,665)
2020	
Loss attributable to ordinary shareholders	(5,752)

Weighted average number of ordinary shares

	Group Number of shares	
	2021 \$'000	2020 \$'000
Issued shares at 31 July	219,904,444	219,904,444
Effect of own shares held	(829,600)	(829,600)
Weighted average number of ordinary shares in issue during the financial year	219,074,844	219,074,844

20. SEGMENT FORMATION

For management purposes, the Group is organised into business units based on the nature of products and services, with each reportable operating segment representing strategic business units that offers different products and serves different markets. The reportable operating segments are as follows:

- i. The "Investments Holding" segment relates to the holding of long-term investments.
- ii. The "Investments" segment relates to the trading in short-term investments.
- iii. The "Asset Management" segment relates to the provision of asset management services to the Group's hospitality assets.
- iv. The "Hotel" segment relates to hotel operations.

These are managed separately because they require different operating and marketing strategies, given that they operate in and serve customers in different geographical areas. For each of these, the Group's Executive Director (the chief operating decision-maker) reviews internal management reports on a monthly basis.

Information regarding the results, assets and liabilities of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Executive Director. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of these segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

20. SEGMENT FORMATION (CONTINUED)

Segment results, assets and liabilities include items directly attributable to a segment.

Information about reportable segments

	Investment Holding \$'000	Investment \$'000	Asset Management \$'000	Hotel \$'000	Adjustment/ Elimination \$'000	Notes	Total \$'000
31 July 2021							
Revenue:							
External customers	-	210	201	629	-		1,040
Inter-segment revenue	381	-	-	1,784	(2,165)	A	-
Total revenue for reporting segments	381	210	201	2,413	(2,165)		1,040
Results:							
Fair value gain on short-term investments at FVPL	-	55	-	-	-		55
Interest income	29	87	-	9	-		125
Government grants	374	-	-	111	-		485
Finance costs	(18)	-	-	(874)	-		(892)
Depreciation of property, plant and equipment and right-of-use assets	(202)	-	-	(1,049)	-		(1,251)
Reportable segment (loss)/profit before income tax	(1,085)	352	(204)	(2,615)	-		(3,552)
Tax expenses	(113)	-	-	-	-		(113)
Additions to non-current assets	4	-	-	1,897	-	B	1,901
Reportable segment assets	36,972	4,173	82	48,921	-		90,148
Reportable segment liabilities	2,886	-	6	21,646	-		24,538
31 July 2020							
Revenue:							
External customers	-	312	537	1,865	-		2,714
Inter-segment revenue	378	-	-	1,753	(2,131)	A	-
Total revenue for reporting segments	378	312	537	3,618	(2,131)		2,714
Results:							
Interest income	19	574	-	17	-		610
Finance costs	(30)	(32)	-	(873)	-		(935)
Depreciation of property, plant and equipment and right-of-use assets	(204)	-	-	(641)	-		(845)
Impairment on freehold property	-	-	-	(1,940)	-		(1,940)
Reportable segment (loss)/profit before income tax	(2,249)	(83)	174	(4,324)	-		(6,482)
Tax credit	730	-	-	-	-		730
Additions to non-current assets	7	3,241	-	-	-	B	3,248
Reportable segment assets	42,955	4,805	130	47,241	-		95,131
Reportable segment liabilities	1,738	1,700	80	21,320	-		24,838

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

20. SEGMENT FORMATION (CONTINUED)

Information about reportable segments (Continued)

Notes:

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

- A Inter-segment revenues are eliminated on consolidation.
- B Additions to non-current assets consist of additions to property, plant and equipment.

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of assets.

	Group	
	2021 \$'000	2020 \$'000
Revenue		
Singapore	411	849
Korea	629	1,865
	1,040	2,714
Non-current assets		
Singapore	8,823	10,563
Korea	46,043	45,332
	54,866	55,895

21. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The fair values of applicable assets and liabilities, are determined and categorised using a fair value hierarchy as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety at the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

21. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) Assets measured at fair value

The following table shows an analysis of each class of assets measured at fair value at the end of the financial year:

	Group and Company			Total \$'000
	Quoted prices in active markets for identical assets (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
2021				
Assets measured at fair value				
Financial assets				
Investment securities at FVPL (Note 11)				
- Quoted equity investments	681	-	-	681
- Quoted debt investments	3,492	-	-	3,492
Total quoted securities	4,173	-	-	4,173
Investment securities at FVOCI (Note 11)				
- Unquoted equity investments	-	-	3,098	3,098
Financial assets as at 31 July 2021	4,173	-	3,098	7,271
2020				
Assets measured at fair value				
Financial assets				
Investment securities at FVPL (Note 11)				
- Quoted equity investments	1,406	-	-	1,406
- Quoted debt investments	3,399	-	-	3,399
Total quoted securities	4,805	-	-	4,805
Investment securities at FVOCI (Note 11)				
- Unquoted equity investments	-	-	4,695	4,695
Financial assets as at 31 July 2020	4,805	-	4,695	9,500

There have been no transfers between Level 1, Level 2 and Level 3 during the financial years ended 31 July 2021 and 2020.

(c) Level 1 fair value measurements

The fair value of quoted investment securities (Note 11) are determined directly by reference to their published market bid price at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

21. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair Value at 31 July 2021	Valuation techniques	Key unobservable inputs	Range
Recurring fair value measurements				
<i>Financial assets at fair value through other comprehensive income</i>				
Unquoted equity investment (Travelodge Myeongdong Euljiro)	3,082	Adjusted Net Asset Value ⁽¹⁾ and Income Capitalisation Approach	<ul style="list-style-type: none"> - Capitalisation rate⁽²⁾ - Occupancy rate⁽³⁾ - Long term Average Daily Rate (ADR) growth rate⁽³⁾ - Discount rate⁽²⁾ 	<ul style="list-style-type: none"> - 5.25% p.a. - 70% to 85% - 2% - 7.25% p.a.
Unquoted equity investment (Travelodge Harbourfront Singapore)	16	Adjusted Net Asset Value ⁽¹⁾ and Average of direct capitalisation method and direct comparison method	<ul style="list-style-type: none"> - Capitalisation rate⁽²⁾ - Occupancy rate⁽³⁾ - Long term ADR growth rate⁽³⁾ - Discount rate⁽²⁾ - Comparable price⁽⁴⁾ 	<ul style="list-style-type: none"> - 3.5% p.a. - 70% to 88% - 2% - 7.00% p.a. - \$259,000,000
Description	Fair Value at 31 July 2020	Valuation techniques	Key unobservable inputs	Range
Recurring fair value measurements				
<i>Financial assets at fair value through other comprehensive income</i>				
Unquoted equity investment (Travelodge Myeongdong Euljiro)	4,492	Adjusted Net Asset Value ⁽¹⁾ and Income Capitalisation Approach	<ul style="list-style-type: none"> - Capitalisation rate⁽²⁾ - Occupancy rate⁽³⁾ - Average Daily Rate (ADR) growth rate⁽³⁾ - Discount rate⁽²⁾ 	<ul style="list-style-type: none"> - 5.25% p.a. - 50% to 84% - 2.5% to 8% - 7.25% p.a.
Unquoted equity investment (Travelodge Harbourfront Singapore)	203	Adjusted Net Asset Value ⁽¹⁾ and Average of direct capitalisation method and direct comparison method	<ul style="list-style-type: none"> - Capitalisation rate⁽²⁾ - Occupancy rate⁽³⁾ - ADR growth rate⁽³⁾ - Discount rate⁽²⁾ - Comparable price⁽⁴⁾ 	<ul style="list-style-type: none"> - 3.50% p.a. - 55% to 87% - 1.1% to 20% - 7.00% p.a. - \$269,000,000

(1) The fair value of unquoted equity investments is determined by reference to the underlying assets value of the investee company. The underlying assets value of the investee company mainly comprises the land and building, which is valued using the Income Capitalisation Approach, average of Direct Capitalisation method and Direct Comparison Method for the respective unquoted investments.

(2) An increase/(decrease) in the capitalisation rate and/or discount rate would result in a (decrease)/increase in the fair value of the unquoted equity investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

21. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(d) Level 3 fair value measurements (Continued)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (Continued)

(3) An increase/(decrease) in the occupancy rate and/or long-term ADR growth rate would result in an increase/(decrease) in the fair value of the unquoted equity investments. In view of the COVID-19 pandemic situation, management has forecasted a return to stabilised occupancy and long-term ADR in the financial year ended 31 July 2023.

(4) An increase/(decrease) in the comparable price would result in an increase/(decrease) in the fair value of the unquoted equity investment.

A 1% increase/decrease in the property valuation based on management's assumptions would result in a \$94,000 and \$131,000 (2020: \$45,000 and \$53,000) higher/lower fair value measurement of the unquoted equity investments in TLME and TLHS respectively.

(ii) Movements in Level 3 assets measured at fair value

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	Financial assets at fair value through other comprehensive income (Unquoted equity investments)	
	2021 \$'000	2020 \$'000
Group		
Opening balance	4,695	4,928
Total gains or losses for the financial year		
– Fair value loss recognised in other comprehensive income	(1,597)	(560)
Additions	–	335
Foreign exchange differences	–	(8)
Closing balance	3,098	4,695

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

21. FAIR VALUE OF ASSETS AND LIABILITIES *(CONTINUED)*

(d) Level 3 fair value measurements *(Continued)*

(iii) Valuation policies and procedures

It is the Group's policy to engage external valuation experts to perform the valuation. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 Fair Value Measurement guidance.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted, and the reliability of the inputs used in the valuations in light of the prevailing conditions at 31 July 2021 and 2020.

The analysis and results of the external valuations are then reported to the Those Charged with Governance for approval.

During the financial year, there is no change in the applicable valuation techniques.

Impact of the Coronavirus (COVID-19) outbreak

In March 2020, the World Health Organization declared that the COVID-19 outbreak to be a pandemic. The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of the report.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or governments' varying efforts to combat the outbreak and support businesses. Further, the market that the property is valued in is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. This being the case, the external valuer has drawn the users' attention that the values of the unquoted equity investments recorded in the consolidated statement of financial position determined by reference to fair value at 31 July 2021 and 2020 were estimated based upon conditions prevailing on that date.

(e) Asset and liabilities not carried at fair value and whose carrying amount are a reasonable approximation of fair value

The carrying amounts of the current financial assets and liabilities, including trade and other receivables, cash and bank balances, and trade and other payables approximate their respective fair values.

The carrying amounts of long-term receivables, lease liabilities and loans and borrowings approximate their fair values because they are repriced to or approximate the market interest rates near the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

22. SIGNIFICANT RELATED PARTIES TRANSACTIONS

A related party is defined as follows:

- (i) A person or a close member of that person's family is related to the Group and Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (ii) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

22. SIGNIFICANT RELATED PARTIES TRANSACTIONS (CONTINUED)

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the financial year was as follows:

	Group and Company	
	2021	2020
	\$'000	\$'000
Remuneration of key management personnel		
Short-term employee benefits	340	457
Post-employment benefits	35	48
Directors' fees	200	253
	575	758

Key management personnel are the Directors and key personnel having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

Risk management framework

The Group's activities expose it to credit risk, market risks (including foreign currency risk and equity price risk) and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. 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.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. Market risk exposures are measured using sensitivity analysis indicated below.

Credit risk

Risk management policy

Credit risk is the potential financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets in the statements of financial position represent the Group's and the Company's respective maximum exposure to credit risk. The Group and the Company do not hold any collateral in respect of their financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS *(CONTINUED)*

Credit risk *(Continued)*

Risk management policy *(Continued)*

The Group has established credit limits for customers and monitors their balances. Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are allowed only with counterparties that are of high quality.

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments that are past due 90 days, based on the Group's historical estimate.

To assess whether there is a significant increase in credit risk, the Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- Actual or expected significant changes in the operating results of the counterparty.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- There is a disappearance of an active market for that financial asset because of financial difficulty.

(a) Trade receivables

The Group applied the simplified approach and recognised lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates were determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on similar loss pattern. The expected credit losses also incorporated forward looking information such as forecast of economic conditions.

The Group has assessed the expected credit losses recognised for the financial years ended 31 July 2021 and 2020 to be insignificant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS *(CONTINUED)*

Credit risk *(Continued)*

Risk management policy *(Continued)*

(b) Other receivables and long-term receivables

As of 31 July 2021, the Group recorded other receivables and long-term receivables amounted to \$1,341,000 (2020: \$1,466,000) and \$5,629,000 (2020: \$5,167,000), respectively. The Group assessed those suppliers' credit reputation and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group used the general approach and estimated the 12-months expected credit losses and determined that ECL was insignificant.

(c) Amounts due from subsidiaries

As of 31 July 2021, the Company recorded an amount due from subsidiaries of \$47,147,000 (2020: \$42,871,000) consequent to an extension of loans to the subsidiaries. In its assessment of the credit risk of the subsidiaries, the Company considered amongst other factors, the financial position of the subsidiaries as of 31 July 2021. The Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis and consequent to their assessment, concluded that these receivables were of low credit risk other than the credit impaired amount of \$11,354,000 (2020: \$6,100,000).

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. 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 on an ongoing basis and maintains a level of cash and bank balances deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Liquidity risk (Continued)

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Effective interest rate %	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Total \$'000
Group					
2021					
Financial assets:					
Investment securities	–	4,173	3,098	–	7,271
Long term receivables	3.85%	36	146	5,717	5,899
Trade and other receivables*	–	1,341	–	–	1,341
Cash and bank balances	–	29,346	–	–	29,346
Total undiscounted financial assets		<u>34,896</u>	<u>3,244</u>	<u>5,717</u>	<u>43,857</u>
Financial liabilities:					
Trade and other payables#	–	(749)	–	–	(749)
Loans and borrowings	2.75%-3.83%	(21,776)	(2,070)	–	(23,846)
Lease liabilities	3.00%	(54)	(6)	–	(60)
Total undiscounted financial liabilities		<u>(22,579)</u>	<u>(2,076)</u>	<u>–</u>	<u>(24,655)</u>
Total net undiscounted financial assets		<u>12,317</u>	<u>1,168</u>	<u>5,717</u>	<u>19,202</u>
Group					
2020					
Financial assets:					
Investment securities	–	4,805	4,695	–	9,500
Long-term deposit	–	–	1,150	–	1,150
Long-term receivables	3.85%	–	4,528	869	5,397
Trade and other receivables*	–	367	–	–	367
Cash and bank balances	–	33,886	–	–	33,886
Total undiscounted financial assets		<u>39,058</u>	<u>10,373</u>	<u>869</u>	<u>50,300</u>
Financial liabilities:					
Trade and other payables#	–	(1,210)	–	–	(1,210)
Loans and borrowings	0.65%-1.75%	(2,499)	(21,220)	–	(23,719)
Lease liabilities	3.00%	(204)	(107)	–	(311)
Total undiscounted financial liabilities		<u>(3,913)</u>	<u>(21,327)</u>	<u>–</u>	<u>(25,240)</u>
Total net undiscounted financial assets/(liabilities)		<u>35,145</u>	<u>(10,954)</u>	<u>869</u>	<u>25,060</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Liquidity risk (Continued)

	Effective interest rate %	Less than 1 year \$'000	1 to 5 years \$'000	Total \$'000
Company				
2021				
Financial assets:				
Amount due from subsidiaries	-	35,793	-	35,793
Trade and other receivables*	-	87	-	87
Cash and bank balances	-	27,500	-	27,500
Total undiscounted financial assets		<u>63,380</u>	<u>-</u>	<u>63,380</u>
Financial liabilities:				
Trade and other payables#	-	(215)	-	(215)
Loans and borrowings	2.75%	(97)	(2,070)	(2,167)
Lease liabilities	3.00%	(54)	(6)	(60)
Total undiscounted financial liabilities		<u>(366)</u>	<u>(2,076)</u>	<u>(2,442)</u>
Total net undiscounted financial assets/(liabilities)		<u>63,014</u>	<u>(2,076)</u>	<u>60,938</u>
	Effective interest rate %	Less than 1 year \$'000	1 to 5 years \$'000	Total \$'000
Company				
2020				
Financial assets:				
Amount due from subsidiaries	-	36,771	-	36,771
Trade and other receivables*	-	92	-	92
Cash and bank balances	-	32,052	-	32,052
Total undiscounted financial assets		<u>68,915</u>	<u>-</u>	<u>68,915</u>
Financial liabilities:				
Trade and other payables#	-	(819)	-	(819)
Loans and borrowings	2.75%	(1,708)	-	(1,708)
Lease liabilities	3.00%	(204)	(107)	(311)
Total undiscounted financial liabilities		<u>(2,731)</u>	<u>(107)</u>	<u>(2,838)</u>
Total net undiscounted financial assets/(liabilities)		<u>66,184</u>	<u>(107)</u>	<u>66,077</u>

Excluding deposit received

* Excluding grant receivables and GST receivables

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Liquidity risk (Continued)

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	Note	Group	
		2021 \$'000	2020 \$'000
Financial assets at fair value through profit or loss			
Quoted equity investments	11	681	1,406
Quoted debt investments	11	3,492	3,399
		4,173	4,805
Financial assets at amortised cost			
Long-term deposits	13	–	1,150
Long-term receivables	13	5,629	5,167
Trade and other receivables	13	1,341	367
Cash and bank balances	14	29,346	33,886
		36,316	40,570
Financial assets at fair value through other comprehensive income			
Unquoted equity investments	11	3,098	4,695
		3,098	4,695
Financial liabilities at amortised cost			
Trade and other payables	17	749	1,210
Loans and borrowings	18	23,132	22,328
Lease liabilities	10	60	311
		23,941	23,849

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Liquidity risk (Continued)

Financial instruments by category (Continued)

	Note	Company	
		2021 \$'000	2020 \$'000
Financial assets at fair value through profit or loss			
Quoted equity investments	11	681	1,406
Quoted debt investments	11	3,492	3,399
		4,173	4,805
Financial assets at amortised cost			
Amount due from subsidiaries	12	35,793	36,771
Trade and other receivables	13	93	92
Cash and bank balances	14	27,500	32,052
		63,386	68,915
Financial liabilities at amortised cost			
Trade and other payables	17	215	819
Loans and borrowings	18	2,000	1,700
Lease liabilities	10	60	311
		2,275	2,830

Market risk

Market risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

Equity price risk

The Group is exposed to equity price risk arising from its investment in quoted investment securities. These investment securities are quoted on the Singapore Exchange Securities Trading Limited (SGX-ST) in Singapore and are classified as held for trading financial assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Sensitivity analysis for equity price risk

At the end of the financial year, if the price of the shares held had been 2% higher/lower with all other variables held constant, the Group's loss before tax would have been \$83,000 (2020: \$96,000) lower/higher, arising as a result of lower/higher fair value losses on held for trading investments on quoted investment securities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS *(CONTINUED)*

Currency risk

Risk management policy

The Group is exposed to currency risk on sales, purchases and cash holdings that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies in which these transactions primarily are denominated are the Korean Won ("KRW") and United States dollar ("USD").

There is no formal hedging policy with respect to foreign exchange exposures. Exposures to currency risk are monitored on an ongoing basis and the Group endeavours to keep the net exposures at an acceptable level, by buying or selling foreign currencies at forward rates when necessary to address short-term imbalances.

The Group's and Company's exposures to currency risk arise primarily from its bank balances and exposures are insignificant.

24. CAPITAL MANAGEMENT

In managing the capital of the Group, the Board aims to maintain a capital structure which balances the need to maximise the rate of return on capital and at the same time safeguard the Group's ability to continue as a going concern in the long term, maintain investors, creditors and market confidence, and sustain future development of the business.

The Group defines capital as share capital and reserves.

The Group manages the level of capital in proportion to risk and future business development requirements while balancing the need to maximise the return on capital. The Group does not stipulate the desired level of capital. It monitors and manages its capital structure on an ongoing basis and makes adjustments to it in light of changes in economic conditions, risk characteristics of the underlying assets and performance of the Group.

As part of the capital management process, the Group may adjust its level of dividends, issue new shares and/or return capital to shareholders, where appropriate. The Board takes into consideration the cash position and business and capital requirements of the Group when determining the level of dividends to pay shareholders. From time to time, the Company may also purchase its own shares from the market or off-market; the timing of these purchases depends on market conditions and prices.

There was no change to the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to any externally imposed capital requirement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

25. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for as at the end of the financial year but not recognised in the financial statements are as follows:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Authorised and contracted for	-	1,684	-	-
Authorised and but not contracted for	-	378	-	-

26. CONTINGENT LIABILITIES

Guarantee

The Company has provided the following guarantees at the end of the financial year:

- The Company has provided a corporate guarantee to a bank for a KRW18,000,000,000 (\$21,132,000 equivalent) loan (Note 18) taken by a subsidiary.
- The Company has guaranteed its subsidiary's share of contingent liabilities, amounting to KRW4,867,500,000 (\$5,724,000 equivalent), which have been incurred jointly with other investors by KB Kookmin Bank, in its capacity as trustee of Korea Investment Private Placement Business Hotel REIT No. AI861. The contingent liabilities pertain to a UOB loan undertaken to finance the acquisition of Travelodge Myeongdong Euljiro (Note 11).

27. COMPARATIVE FIGURES

Certain comparative numbers have been reclassified to the prior year's financial statements to enhance comparability with the current year's financial statements.

Statements of financial position

	Company	
	As previously reported 31.07.2020 \$'000	As reclassified 31.07.2020 \$'000
Non-current asset		
Subsidiaries	-	23,761
Current asset		
Trade and other receivables	23,853	92

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

28. DEVELOPMENT OF COVID-19 OUTBREAK AND ITS CORRESPONDING IMPACT ON THE GROUP

The COVID-19 outbreak has brought about an unprecedented challenge for many entities, with increased uncertainty in the global economy. As the situation is still evolving, the full effect of the outbreak is still uncertain and the Group is therefore unable to provide a quantitative estimate of the potential impact of this outbreak on the Group. The Group continues to monitor and evaluate any possible impact on the Group's business and will consider implementation of various measures to mitigate the effects arising from the COVID-19 situation. Based on management's latest assessment, there is no indicator that the going concern assumption used by the Group in preparing the financial statement is inappropriate.

STATISTICS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2021

NO. OF ISSUED SHARES (INCLUDING TREASURY SHARES)	: 219,904,444
NUMBER/PERCENTAGE OF TREASURY SHARES HELD	: 829,600 (0.38%)
NUMBER/PERCENTAGE OF SUBSIDIARY HOLDINGS HELD	: NIL
NUMBER OF SHARES IN ISSUE (EXCLUDING TREASURY SHARES)	: 219,074,844
CLASS OF SHARES	: ORDINARY SHARES
NUMBER OF SHAREHOLDERS (EXCLUDING SHARES HELD IN TREASURY)	: 8,155
VOTING RIGHTS	: ON A POLL 1 VOTE FOR EACH SHARE HELD The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	253	3.10	12,144	0.01
100 – 1,000	2,248	27.57	1,631,702	0.74
1,001 – 10,000	4,303	52.77	17,920,890	8.18
10,001 – 1,000,000	1,337	16.39	48,207,076	22.01
1,000,001 & ABOVE	14	0.17	151,303,032	69.06
TOTAL	8,155	100.00	219,074,844	100.00

TOP TWENTY SHAREHOLDERS AS AT 30 SEPTEMBER 2021		NO. OF SHARES	%
1	NG SIEW HONG	41,631,705	19.00
2	UNISERAYA HOLDINGS PTE LTD	33,733,333	15.40
3	HSBC (SINGAPORE) NOMINEES PTE LTD	21,910,000	10.00
4	PHILLIP SECURITIES PTE LTD	12,440,552	5.68
5	UOB KAY HIAN PTE LTD	9,784,564	4.47
6	MAYBANK KIM ENG SECURITIES PTE. LTD	9,190,430	4.19
7	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	6,366,433	2.91
8	MS VENTURE PTE LTD	4,454,000	2.03
9	DBS NOMINEES PTE LTD	3,757,591	1.72
10	LIM AND TAN SECURITIES PTE LTD	1,991,466	0.91
11	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,864,771	0.85
12	ANG ZHI CHENG	1,543,300	0.70
13	CITIBANK NOMINEES SINGAPORE PTE LTD	1,360,498	0.62
14	OCBC NOMINEES SINGAPORE PTE LTD	1,274,389	0.58
15	POH KHENG MUI (FU QINGMEI)	780,666	0.36
16	DBS VICKERS SECURITIES (S) PTE LTD	719,865	0.33
17	YEO AH MOEY	666,666	0.30
18	KUAN BON HENG	647,666	0.30
19	SIM KOK HAI	617,666	0.28
20	EST OF KANG YEE YIN (JIANG YIYUN), DEC'D	500,000	0.23
TOTAL:		155,235,561	70.86

STATISTICS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2021

Substantial Shareholders	Direct No. of shares	%⁽¹⁾	Deemed No. of shares	%⁽¹⁾
Ng Siew Hong	41,631,705	19.003	–	–
Uniseraya Holdings Pte Ltd	33,733,333	15.398	–	–
Aw Cheek Huat	10,000	0.005	21,900,000	9.997
Ng Khim Guan ⁽²⁾	166,666	0.076	33,733,333	15.398
Kwek Li Chien ⁽²⁾	–	–	33,733,333	15.398
Ng Han Meng ⁽³⁾	332	–	33,733,333	15.398
Ng Bie Tjin @ Djuniarti Intan ⁽⁴⁾	10,000	0.005	35,038,133	15.994

Notes:

- (1) Based on the total issued share capital of the Company (excluding treasury shares and subsidiary holdings) of 219,074,844 Shares
- (2) Mr. Ng Khim Guan and Ms. Kwek Li Chien's deemed interests arise from the 33,733,333 Shares in which Uniseraya Holdings Pte Ltd has an interest.
- (3) Mr. Ng Han Meng's direct interest in 332 Shares held in his own name, and his deemed interest arise from the 33,733,333 Shares in which Uniseraya Holdings Pte Ltd has an interest.
- (4) Ms. Ng Bie Tjin @ Djuniarti Intan's direct interest in 10,000 Shares held in her own name, and her deemed interest arises from the 33,733,333 Shares in which Uniseraya Holdings Pte Ltd has an interest and the 1,304,800 Shares in nominee account(s).

Shareholdings in the hands of public

The percentage of shareholdings in the hands of the public is approximately 55%. Hence, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited which states that an issuer must ensure that at least 10% of its listed securities is at all times held by the public.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the forty-first annual general meeting of Datapulse Technology Limited (the “**Company**”) will be held by way of electronic means on Wednesday, 10 November 2021 at 4.00 p.m. for the following purposes:

Ordinary Business

- 1 To receive and adopt the directors’ statement and audited financial statements for the financial year ended 31 July 2021 and the auditors’ report thereon. **(Resolution 1)**
- 2 To approve the payment of directors’ fees of up to S\$200,000 for the financial year ending 31 July 2022, to be paid quarterly in arrears (2021: S\$200,000). **(Resolution 2)**
- 3 To re-elect the following director who retires pursuant to Regulation 101 of the Company’s Constitution and who, being eligible, offers himself for re-election:
 - (A) Mr Lee Kam Seng **(Resolution 3)**

[see Explanatory Note 1]
- 4 To re-elect the following director who retires pursuant to Regulation 101 of the Company’s Constitution and who, being eligible, offers himself for re-election:
 - (B) Mr Choong Chee Peng Bert **(Resolution 4)**

[see Explanatory Note 2]
- 5 To re-appoint Mazars LLP as auditors of the Company and to authorise the directors to fix their remuneration. **(Resolution 5)**

Special Business

To consider and, if thought fit, to pass with or without any modifications, the following resolutions as ordinary resolutions:

- 6 That pursuant to Section 161 of the Companies Act, Cap. 50 (the “**Companies Act**”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Limited (“**SGX-ST**”), authority be and is hereby given to the directors of the Company (the “**Share Issue Mandate**”) to:
 - (A) (I) issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
 - (II) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other Instruments convertible into Shares; and/or

NOTICE OF ANNUAL GENERAL MEETING

- (III) notwithstanding that such authority conferred by this resolution may have ceased to be in force at the time the Instruments are to be issued, issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues, at any time and upon such terms and conditions and for such purposes and to such persons as the directors of the Company may in their absolute discretion deem fit; and
- (B) issue shares in pursuance of any Instrument made or granted by the directors of the Company pursuant to (A)(II) and/or (A)(III) above, notwithstanding that the authority conferred by this resolution may have ceased to be in force at the time the Shares are to be issued,

provided that:

- (I) the aggregate number of shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (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 shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed twenty per cent. (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (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 percentage of total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) as at the time of the passing of this resolution, after adjusting for:
- (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting as at the time of the passing of this resolution, provided the options or awards were granted in compliance with the provisions of the Listing Manual of the SGX-ST; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (III) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution of the Company as amended from time to time; and
- (IV) the authority conferred on the directors of the Company pursuant to this resolution may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:
- (a) the date on which the next annual general meeting of the Company is held or required by law to be held;

NOTICE OF ANNUAL GENERAL MEETING

- (b) in the case of shares issued in pursuance of the Instruments, made or granted pursuant to this resolution, until the issuance of such shares in accordance with the terms of the Instruments; or
- (c) the date on which the authority conferred in this resolution is varied or revoked by an ordinary resolution of the shareholders of the Company in general meeting.

[see Explanatory Note 3]

(Resolution 6)

7 That:

(A) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares ("**Shares**") in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (I) on-market purchases (each a "**Market Purchase**") transacted through the SGX-ST trading system or on another stock exchange on which the Company's equity securities are listed; and/or
- (II) off-market purchases (each an "**Off-Market Purchase**") in accordance with an equal access scheme as defined in Section 76C of the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(B) the authority conferred on the directors of the Company pursuant to the Share Purchase Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:

- (I) the conclusion of the next annual general meeting of the Company or the date on which such annual general meeting of the Company is required by law to be held;
- (II) the date on which Share purchases have been carried out to the full extent of the Share Purchase Mandate; or
- (III) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by an ordinary resolution of the shareholders of the Company in general meeting;

(C) in this resolution:

"**Prescribed Limit**" means ten percent (10%) of the issued Shares (excluding treasury shares and subsidiary holdings, if any) of the Company as at the date of the passing of this resolution; and "**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (I) in the case of a Market Purchase: 105% of the Average Closing Price; and
- (II) in the case of an Off-Market Purchase: 120% of the Highest Last Dealt Price,

NOTICE OF ANNUAL GENERAL MEETING

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days (being days on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) day period;

“Highest Last Dealt Price” means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from the shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (D) the directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this resolution.

[see Explanatory Note 4]

(Resolution 7)

8 That:

- (A) authority be and is hereby given for the Company, its subsidiaries and associated companies (if any) which fall within the definition of “entities at risk” under Chapter 9 of the Listing Manual of the SGX-ST or any of them to enter into any transaction falling within the categories of interested person transactions set out in the addendum to this notice of annual general meeting (“**Addendum**”), with any party who is of the class or classes of interested persons described in the Addendum, provided that such transaction is made on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders, and is entered into in accordance with the review procedures for interested person transactions as set out in the Addendum (such shareholders’ general mandate hereinafter called the “**Shareholders’ Mandate**”);
- (B) the Shareholders’ Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier;
- (C) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the procedures and/or modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual of the SGX-ST, which may be prescribed by the SGX-ST from time to time; and

NOTICE OF ANNUAL GENERAL MEETING

- (D) the directors of the Company and each of them be and are hereby authorised, empowered to complete and do and execute all such things and acts as they or he may consider necessary or appropriate to give effect to these resolutions and the Shareholders' Mandate, with such modifications thereto (if any) as they or he may think fit in the interests of the Company.

[see Explanatory Note 5]

(Resolution 8)

AND to transact any other business which may be properly transacted at an annual general meeting.

By Order of the Board

Lee Kam Seng
Company Secretary

Singapore
25 October 2021

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes

1. Mr Lee will upon re-election as a director of the Company, remain as an executive Director of the Company. Key information on Mr Lee is set out on pages 60 to 66 of the annual report.
2. Mr Choong will upon re-election as a director of the Company, remain as the chairman of the Nominating Committee and a member of the Audit and Remuneration Committees and be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Limited ("**SGX-ST**"). Key information on Mr Choong is set out on pages 60 to 66 of the annual report.
3. Resolution 6 proposed in item 6 above, if passed, will empower the directors of the Company to, from the date of the above annual general meeting until the next annual general meeting or the date by which the next annual general meeting is required by law to be held, or when revoked by the Company in general meeting, or the expiration of such other period as may be prescribed by the Companies Act, Chapter 50, and every other legislation for the time being in force concerning companies and affecting the Company, whichever is the earliest, allot and issue Shares, to make or grant Instruments, and to issue Shares in pursuance of such Instruments for such purposes as they consider in the interests of the Company. The aggregate number of Shares that the Directors may allot and issue under this Resolution (including Shares to be issued in pursuance of Instruments made or granted) shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of Shares to be issued other than on a pro rata basis shall not exceed twenty per cent. (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (including Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to this Resolution), to shareholders. For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for: (a) new Shares arising from the conversion or exercise of any convertible securities; (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time the proposed Resolution 6 is passed; and (c) any subsequent bonus issue, consolidation or subdivision of Shares.
4. Resolution 7 proposed in item 7 above, if passed, will empower the Company to purchase or otherwise acquire issued Shares by way of Market Purchases or Off-Market Purchases, in accordance with the terms and conditions set out in the Addendum.

Please refer to the Addendum for additional information in relation to the proposed renewal of the Share Purchase Mandate.
5. Resolution 8 proposed in item 8 above, if passed, will allow the Company, and its subsidiaries and associated companies or any of them to, from the date of the above annual general meeting until the next annual general meeting or the date by which the next annual general meeting is required by law to be held, or when revoked by the Company in general meeting, or the expiration of such other period as may be prescribed by the Companies Act, Chapter 50, and every other legislation for the time being in force concerning companies and affecting the Company, whichever is the earliest, enter into interested person transactions (details of which are set out in the Addendum).

Important notice on AGM arrangements in light of COVID-19

The Notice of AGM has been published on SGXNET and the Company's website at <http://www.datapulse.com.sg>. A printed copy of this Notice, the proxy form and other documents related to the AGM will **NOT** be despatched to members.

This notice sets out the Company's arrangements relating to, among others, attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and/or voting by appointing the Chairman of the AGM as proxy for the AGM.

Notes:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Due to the current COVID-19 restriction orders in Singapore, Members will not be able to attend the AGM in person. Members will be able to watch the proceedings of the AGM through a "live" webcast ("**LIVE WEBCAST**") via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed ("**AUDIO ONLY MEANS**") via telephone. In order to do so, Members who wish to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS must pre-register by 4.00 p.m. on 7 November 2021 at <https://complete-corp.com/datapulse-agm/> ("**Registration Cut-Off Time**").

NOTICE OF ANNUAL GENERAL MEETING

Following verification, an email containing instructions on how to access the LIVE WEBCAST and AUDIO ONLY MEANS of the proceedings of the AGM will be sent to authenticated members by 12.00 p.m. on 9 November 2021. Members who do not receive an email by 12.00 p.m. on 9 November 2021, but have registered by the Registration Cut-Off Time, should contact Complete Corporate Services Pte Ltd at +65 6329 2745 or via email at datapulse-agm@complete-corp.com.

Persons holding shares through relevant intermediaries, who wish to participate in the AGM via LIVE WEBCAST or through the AUDIO ONLY MEANS, should contact their relevant intermediaries through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

3. Members who pre-register to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS may also submit questions relating to the resolutions to be tabled for approval at the AGM. Please note that Members will not be able to ask questions at the AGM "live" during the webcast and the audio feed.

All questions must be submitted by 4.00 p.m. on 7 November 2021 ("**Questions Cut-Off Date**") via:

- (a) the pre-registration website at <https://complete-corp.com/datapulse-agm/>;
- (b) if sent personally or by post, be received by the Company's Polling Agent, Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
- (c) if submitted by email, be sent as a clearly readable image via email to the Company's Polling Agent, Complete Corporate Services Pte Ltd at datapulse-agm@complete-corp.com.

Members must identify themselves when posting questions through email or mail providing the following details:

- (i) full name
- (ii) contact telephone number;
- (iii) email address;
- (iv) the manner in which you hold shares (if you hold shares directly, please provide your CDP account number; otherwise, please state if you hold your shares through CPF or SRS or a relevant intermediary).

The Company will address substantial questions relevant to the resolutions to be tabled for approval at the AGM as received from Members before the Questions Cut-Off Date, by publishing the answers on SGXNET, on or prior to 9 November 2021 at the AGM. The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNET and the Company's website at <http://www.datapulse.com.sg>.

4. Members (whether individuals or corporates) who wish to exercise their voting rights at the AGM must appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the AGM. In appointing the Chairman of the AGM as proxy, Members (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
5. The Chairman of the AGM, as proxy, need not be a member of the Company.
6. The proxy form appointing the Chairman of the AGM must be downloaded, printed, completed and signed by Members and sent to the Company in the following manner:
 - a. if sent personally or by post, be received by the Company's Polling Agent, Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
 - b. if submitted by email, be sent as a clearly readable image via email to the Company's Polling Agent, Complete Corporate Services Pte Ltd at datapulse-agm@complete-corp.com.

in either case no later than 4.00 p.m. on 7 November 2021 and in default the proxy form shall not be treated as valid.

NOTICE OF ANNUAL GENERAL MEETING

7. The proxy form appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the proxy form appointing the Chairman of the AGM as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
8. Where the proxy form appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the proxy form, failing which the proxy form may be treated as invalid.
9. The Company shall be entitled to reject the proxy form appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form appointing the Chairman of the AGM as proxy.
10. In the case of shares entered in the Depository Register, the Company may reject the proxy form if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Important Reminders:

Due to the constantly evolving COVID-19 situation, the Company may be required to change its AGM arrangements at short notice. Members are advised to regularly check the Company's website or announcements released on SGXNET for updates on the AGM. Further, in view of the current COVID-19 measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

Personal Data Privacy:

By (a) submitting a proxy form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, (b) completing the pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a Member of the Company consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as proxy for the AGM (including any adjournment thereof);
- (ii) processing of the pre-registration for purposes of granting access to Members to the LIVE WEBCAST or AUDIO ONLY MEANS of the AGM proceedings and providing them with any technical assistance where necessary;
- (iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;
- (iv) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

In addition, the personal data of a Member (such as name, presence at the AGM and any questions raised or motions proposed/seconded) may be recorded by the Company during sounds and/or video recordings of the AGM which may be made by the Company for record keeping and to ensure the accuracy of the minutes of the AGM and a Member of the Company consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for such purpose.

DATAPULSE TECHNOLOGY LIMITED

(Incorporated in The Republic of Singapore)
Company Registration No. 198002677D

PROXY FORM**FORTY-FIRST ANNUAL GENERAL MEETING**

(Please see notes overleaf before completing this Form)

This proxy form has been made available on SGXNET and the Company's website and may be accessed at the URL <http://www.datapulse.com.sg>. A printed copy of this proxy form will NOT be despatched to members.

IMPORTANT

1. Due to the current COVID-19 restriction orders in Singapore, members of the Company ("**Members**") will not be able to attend the AGM in person. Members will be able to watch the proceedings of the AGM through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, Members must pre-register by 4.00 p.m. on 7 November 2021, at <https://complete-corp.com/datapulse-agm/>.

Members will receive an email verification authenticating their status as Members by 12.00 p.m. on 9 November 2021, along with the accompanying instructions on accessing the webcast and audio feed of the proceedings. Members who do not receive an email by 12.00 p.m. on 9 November 2021 may contact technical support via email at datapulse-agm@complete-corp.com or phone at +65 6329 2745.

2. CPF/SRS Investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 5.00 p.m. on 28 October 2021, being seven (7) working days before the AGM.

3. By submitting a proxy form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member (and his appointed proxy(ies)) consents to the collection, use and disclosure of their personal data by the Company (or its agents or service providers) for such purposes and/or otherwise in accordance with the personal data privacy terms set out in the Notice of AGM dated 25 October 2021.

I/We, _____ (name) of _____ (NRIC/Passport No./Co.

Reg. No.) of _____ (address) being a *member/members of **DATAPULSE TECHNOLOGY LIMITED** (the "**Company**"), hereby appoint the Chairman of the forty-first annual general meeting of the Company ("**AGM**"), as my/our* proxy to vote for me/us* on my/our* behalf at the AGM to be held by way of electronic means on 10 November 2021 at 4.00 p.m. and at any adjournment thereof. I/We* direct the Chairman of the AGM to vote for or against, or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the appointment of the Chairman of the AGM as my/our* proxy will be treated as invalid.

The resolutions put to the vote at the AGM shall be decided by way of poll.

No.	Resolutions	For	Against	Abstain
Ordinary Business				
1	To receive and adopt the directors' statement and audited financial statements			
2	To approve the payment of directors' fees for the financial year ending 31 July 2022			
3	To re-elect Mr Lee Kam Seng as director			
4	To re-elect Mr Choong Chee Peng Bert as director			
5	To re-appoint Mazars LLP as auditors and to authorise the directors to fix their remuneration			
Special Business				
6	To authorise the directors to allot and issue shares			
7	To approve the proposed renewal of the share purchase mandate			
8	To approve the proposed renewal of the mandate for interested person transactions			

Notes:

If you wish to exercise all your votes "For", "Against" or "Abstain", please tick within the box provided. Alternatively, please indicate the number of shares the Chairman of the AGM, as your proxy, is directed to vote "For", "Against" or "Abstain".

**Delete where inapplicable*

Dated this _____ day of _____ 2021

Total Number of Ordinary Shares Held

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this proxy form will be deemed to relate to the entire number of ordinary Shares in the Company registered in your name(s).
2. A Member will not be able to attend the AGM in person. If a Member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a Member (whether individual or corporate) must give specific instructions as to voting), or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. The proxy form appointing the Chairman of the AGM as proxy must be downloaded, printed, completed and signed by Members and sent to the Company in the following manner:
 - a. if sent personally or by post, be received by the Company's Polling Agent, Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
 - b. if submitted by email, be sent as a clearly readable image via email to the Company's Polling Agent, Complete Corporate Services Pte Ltd at datapulse-agm@complete-corp.com.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Members to submit completed proxy forms by post, Members are strongly encouraged to submit completed proxy forms electronically via email.

4. The proxy form appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the proxy form appointing the Chairman of the AGM as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
5. Where the proxy form appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the proxy form, failing which the proxy may be treated as invalid.
6. A corporation which is a Member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50.
7. The Company shall be entitled to reject the proxy form appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form appointing the Chairman of the AGM as proxy.
8. In the case of shares entered in the Depository Register, the Company may reject the proxy form if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Aw Cheok Huat

Chairman of the Board and Non-Independent
Non-Executive Director

Teo Choon Kow @ William Teo

Lead Independent Director

Choong Chee Peng Bert

Independent Non-Executive Director

Lau Yan Wai

Independent Non-Executive Director

Lee Kam Seng

Executive Director

AUDIT COMMITTEE

Teo Choon Kow @ William Teo

Chairman

Choong Chee Peng Bert

Member

Lau Yan Wai

Member

NOMINATING COMMITTEE

Choong Chee Peng Bert

Chairman

Aw Cheok Huat

Member

Teo Choon Kow @ William Teo

Member

REMUNERATION COMMITTEE

Lau Yan Wai

Chairman

Teo Choon Kow @ William Teo

Member

Choong Chee Peng Bert

Member

COMPANY SECRETARY

Lee Kam Seng

REGISTERED OFFICE

Company Registration No. 198002677D

8 Shenton Way

#09-01 AXA Tower

Singapore 068811

Tel: (65) 6382 7989

E-mail: datapulse@datapulse.com.sg

Website: www.datapulse.com.sg

SHARE REGISTRAR

B.A.C.S. Private Limited

8 Robinson Road

#03-00 ASO Building

Singapore 048544

AUDITORS

Mazars LLP

135 Cecil Street

#10-01

Singapore 069536

Partner-in-charge: Quek Siew Eng

Date of appointment: Since financial year ended 31 July 2021

PRINCIPAL BANKERS

Oversea-Chinese Banking Corporation Limited

Standard Chartered Bank Singapore Limited

United Overseas Bank Limited

Hongkong and Shanghai Banking Corporation Limited

Malayan Banking Berhad



DATAPULSE TECHNOLOGY LIMITED

Registration no. 198002677D

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Singapore 068811

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