3Cnergy

ANNUAL REPORT 2022

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This Annual Report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Ms. Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

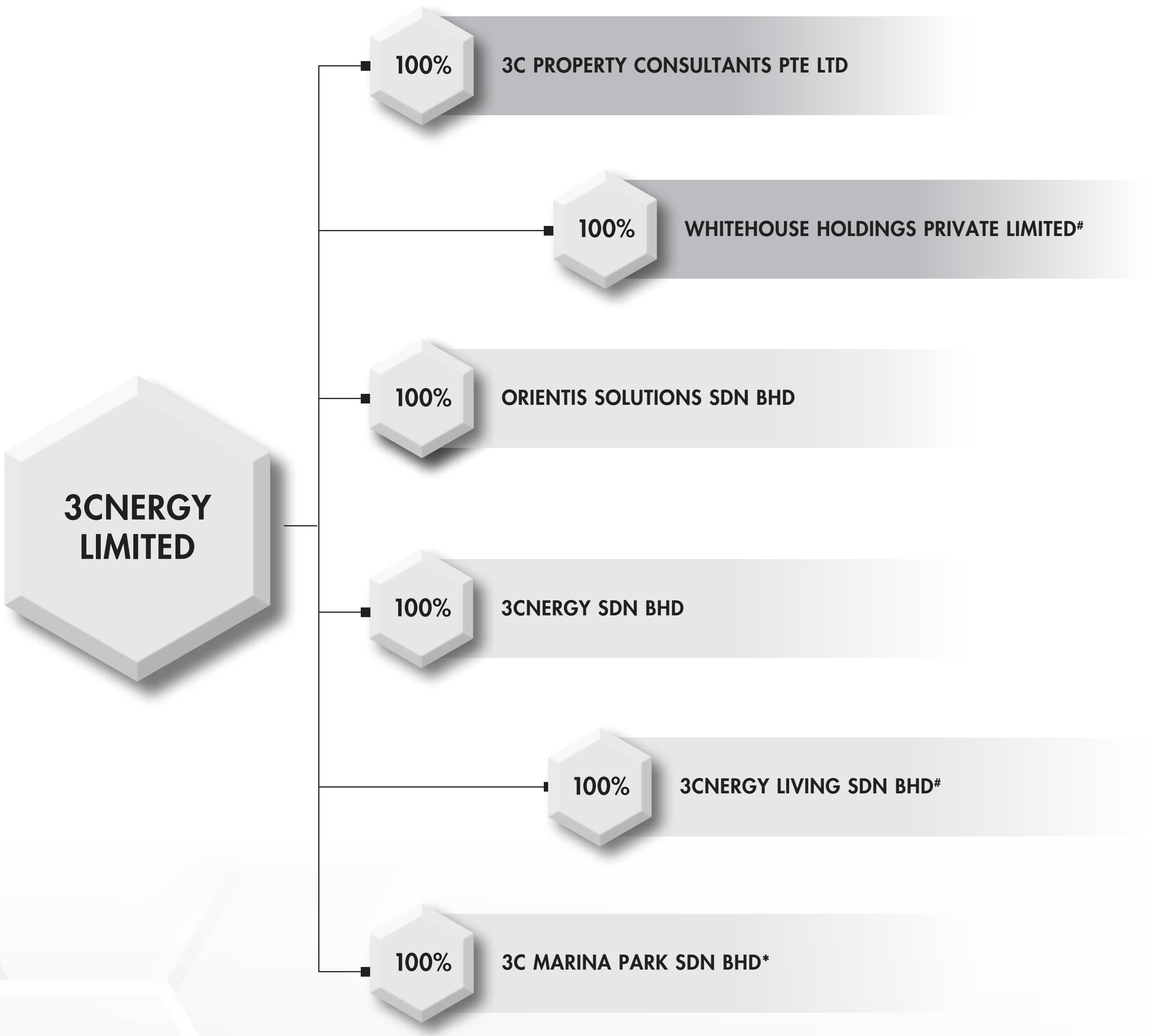
CORPORATE PROFILE

3Cnergy Limited (the "Company") is a Singapore-based investment holding company listed on the Catalist Board of the SGX-ST.

Orientis Solutions Sdn Bhd ("Orientis"), is a subsidiary of the Company. Orientis is an integrated property development management firm offering architectural design, project financial feasibility assessment, engineering expertise and construction management services.

3C Property Consultants Pte. Ltd. ("3CPC"), is a subsidiary of the Company. Complementing the Company's range of services, 3CPC provides real estate valuation and appraisal services on properties ranging from Housing & Development Board flats, private residential, commercial and industrial properties in Singapore. The Company's team of licensed valuers has extensive valuation experience, with some valuers having been in the real estate valuation industry for more than 35 years. 3CPC's clients include government agencies, financial institutions, corporations and private individuals. The valuation services offered include Mortgage and Financing, Sale and Purchase, Rental Valuation, Land Valuation, Development Appraisal, En-bloc Sale, Fire Insurance, Property Tax, Compulsory Acquisition and Stamp Duty Valuation.

CORPORATE STRUCTURE



LEGEND

LOCAL SUBSIDIARY

OVERSEAS SUBSIDIARY

Deregistration of subsidiaries during the year

* Dispose during the year

CHAIRMAN'S AND CEO'S STATEMENT

Dear fellow shareholders,

On behalf of the Board of Directors, we are pleased to present 3Cnergy Limited's annual report for the financial year ended 31 December 2022 ("FY2022").

2022 FINANCIAL PERFORMANCE REVIEW

On 23 February 2022, the Company announced that it has entered into a conditional sale and purchase agreement with the substantial shareholders via Puteri Harbour Pte Ltd ("Purchaser") pursuant to which the Company has agreed to sell to the Purchaser the entire issued ordinary shares of 3C Marina Park Sdn Bhd ("3CMP"), for an aggregate consideration of S$36.0 million ("Proposed Disposal").

Together with the Proposed Disposal which was completed on 13 May 2022, the Company has also carried out the Proposed Capital Reduction. The purpose of the Proposed Capital Reduction is partly to cancel the issued and paid-up share capital of the Company that was no longer represented by available assets due to the accumulated losses. The Proposed Capital Reduction involved a cash distribution by the Company to the shareholders of the Company for each ordinary share in the capital of the Company amounting to an aggregate cash distribution of approximately S$35.7 million.

In FY2022, the Group recorded profit after tax of S$6.26 million as compared to loss after tax of S$8.65 million in financial year ended 31 December 2021 ("FY2021") mainly due to gain on disposal of subsidiary 3CMP of S$7.52 million.

To ensure the Group's ability to continue as a going concern and with sufficient cash to finance on-going costs and commitments, a controlling shareholder, Phileo Capital Limited had on 3 April 2023 extended an interest free and unsecured loan of S$250,000.00 to the Company.

OUTLOOK

Following the completion of the Proposed Disposal, the Group will continue to focus on its current business of integrated property development management and real estate valuation and appraisal services. With the aim of improving the financial position and operations of the Group, we will continue to evaluate and explore potential opportunities that may cross our path.

APPRECIATION

We would like to thank Mr Loh Chen Peng, who stepped down as Lead Independent Director on 15 December 2022 and Mr Chung Chee Khuen, who stepped down as Group Chief Executive Officer on 1 January 2023 for their contribution during their respective tenure with the Company. We also warmly welcome Ms Lai Ven Li who joined the Company in January 2023 as the Lead Independent Director.

Thank you.

Ong Pai Koo @ Sylvester
Chairman

Leow Soon Hoe
Acting CEO cum Group Financial Controller

BOARD OF DIRECTORS

ONG PAI KOO @ SYLVESTER
INDEPENDENT NON-EXECUTIVE CHAIRMAN

Mr Ong is an independent non-executive director of 3Cnergy Limited and was appointed to the Board on 15 September 2015. Mr Ong was re-designated from Independent Director to Independent Non-Executive Chairman with effect from 11 February 2022. He also serves as the Chairman of the Nominating Committee and the Remuneration Committee and is a member of the Audit Committee.

Mr Ong has over 34 years of finance experience in various industries in both Malaysia and Singapore. He is currently the Senior General Manager of an earthworks, infrastructure and other related construction works company in Malaysia.

Mr Ong holds a Double Major Bachelor Degree in Economics and Business Administration and a MBA from Simon Fraser University, Canada.

LAI VEN LI
LEAD INDEPENDENT DIRECTOR

Ms Lai is the Lead Independent Director of 3Cnergy Limited and was appointed as independent director of 3Cnergy Limited on 5 January 2023. She also serves as the Chairman of the Audit Committee and is a member of the Remuneration Committee and Nominating Committee.

Ms Lai has over 20 years of corporate and investment banking experience. Currently, Ms Lai is the sole director and shareholder of Bluechip Capital Ltd. She was formerly a partner of TrustCapital Advisors Investment Management Pte Ltd – a real estate investment management firm with focus on origination and fund raising. Between 2001 and 2020, Ms Lai held the position of Head of International Corporate Banking in CIMB Bank Head Office based in Malaysia before she joined CIMB Bank in Singapore in 2009 as the Head of Corporate Banking. During her tenure with CIMB, she also served as a member of CIMB Group Credit Committee, Singapore Business Management Committee, Risk & Compliance Committee and Assets and Liabilities Committee. Prior to that, Ms Lai held the post of Assistant Manager of International Banking at DBS Bank between 1998 and 2001. Ms Lai holds a Bachelor of Commerce majoring in Accounting and Finance from The University of Western Australia and is a Fellow member of CPA Australia.

AU FOONG YEE
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms Au was the founding Managing Director and Editor-in-Chief of The Edge Property Sdn Bhd, which owns the EdgeProp.my (previously known as TheEdgeProperty.com), a weekly publication and www.EdgeProp.my. Subsequent to her retirement from the role of Managing Director and Editor-in-Chief of The Edge Property Sdn Bhd in December 2021, she was appointed as Editor Emeritus of The Edge Communications Sdn Bhd.

During 2011 to 2016, Ms Au was the Executive Editor and Chief Marketing Officer before being promoted to Managing Director of The Edge Communications Sdn Bhd. In July 2016, Ms Au relinquished the role of Managing Director of The Edge Communications Sdn Bhd to helm and drive The Edge Property Sdn Bhd. She had also served on the board of LGM Properties Corporation (LGMPC) from 11 November 2021 to 16 February 2023.

In January 2022, Ms Au was also appointed as a member of the inaugural Malaysian Ministry of Housing and Local Government's Panel of Experts (POE).

She is an Independent Non-Executive Director of Inta Bina Group Berhad, a company listed on Bursa Malaysia.

KEY MANAGEMENT PROFILE

LEOW SOON HOE
ACTING GROUP CHIEF EXECUTIVE OFFICER CUM GROUP FINANCIAL CONTROLLER

Mr. Leow joined the Group as Finance Manager on 2 May 2017 and was appointed as Group Financial Controller on 30 June 2018. Mr Leow was re-designated from the Group Financial Controller to Acting Group Chief Executive Officer cum Group Financial Controller with effect from 1 January 2023. He is responsible for the overall management of the Group on top of his role as Group Financial Controller which scope of work includes accounting, finance, and reporting functions of the Group.

Prior to joining the Group, he was an auditor with RSM Chio Lim LLP and BDO Malaysia where he covered a wide range of companies including both private and public-listed companies in the retail, manufacturing, logistics, property development and construction industries.

He holds a Bachelor of Accountancy from Universiti Utara Malaysia, and is a member of the Association of Chartered Certified Accountants (ACCA).

FINANCIAL AND OPERATIONAL REVIEW

As announced on 22 February 2023 in the full year results announcement where an update on the use of proceeds from the rights issue of Shares completed in May 2018 ("Rights Issue") was provided, the proceeds of S$31.50 million raised from the Rights Issue have been fully utilised in accordance with the change of use and re-allocation of the proceeds from the Rights Issue as stated in the announcement dated 20 January 2020 as well as the intended uses as disclosed in the Offer Information Statement.

On 23 February 2022, the Company entered into a conditional sale and purchase agreement with Puteri Harbour Pte Ltd ("Purchaser") pursuant to which the Company has agreed to dispose of shares representing 100% of the issued share capital in 3C Marina Park Sdn Bhd ("3CMP") to the Purchaser ("Proposed Disposal"). After the Company entered into the conditional sale and purchase agreement, the Group has reclassified 3CMP as a disposal group held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*. Accordingly, all income and expenses relating to 3CMP have been reclassified to Profit/Loss from discontinued operations. The Proposed Disposal was completed on 13 May 2022.

The Group's recorded profit after tax of S$6.26 million in financial year ended 31 December 2022 ("FY2022") as compared to loss after tax of S$8.65 million in financial year ended 31 December 2021 ("FY2021") mainly due to gain on disposal of subsidiary 3CMP of S$7.52 million.

CONTINUING OPERATIONS

REVENUE
The Group's revenue is mainly derived from project management services rendered by Orientis Solutions Sdn Bhd ("OSSB") and it has increased by approximately S$444,000 or over 100% from S$147,000 in FY2021 to S$591,000 in FY2022. The increase was mainly due to reversal of contract liabilities which are no longer required following the termination of letter of appointment with Publiq Development Group Sdn Bhd as announced on 30 June 2022.

Other operating income
Other operating income comprised mainly miscellaneous income. Other operating income decreased by approximately S$192,000 or 97.4% from S$192,000 in FY2021 to S$5,000 in FY2022. The decrease was mainly due to absence of reversal of payables and accruals in FY2022.

GENERAL AND ADMINISTRATIVE EXPENSES ("G&A EXPENSES")
G&A Expenses comprised mainly salaries and related costs, professional fees, director fees and annual listing expenses. The increase in G&A Expenses from S$579,000 in FY2021 to $669,000 in FY2022 was mainly attributable to the professional fees incurred for the disposal of 3CMP in FY2022.

STATEMENT OF FINANCIAL POSITION
Following the completion of the Proposed Disposal on 13 May 2022, all assets and liabilities relating to 3CMP have been zerorised as at 31 December 2022. The completion of the Proposed Disposal has resulted in the disposal group assets classified as held for sale under current assets and disposal group liabilities classified as held for sale under current liabilities being disposed-off as at 31 December 2022.

Other receivables and deposits decreased by approximately S$26,000 from S$34,000 as at 31 December 2021 to S$8,000 as at 31 December 2022 due to other receivables being written off in FY2022 as a result of termination of service by a subsidiary of the Company.

Cash and cash equivalents decreased by approximately S$314,000 mainly due to payments made for working capital purposes during the financial year.

Accruals and other payables decreased by approximately S$28,000 from S$123,000 as at 31 December 2021 to S$95,000 as at 31 December 2022, mainly due to decrease in accrual of professional fees as at 31 December 2022.

Contract liabilities decreased by S$535,000 from S$535,000 as at 31 December 2021 to S$Nil as at 31 December 2022. The decrease was mainly due to the reversal of contract liabilities which are no longer required following the termination of letter of appointment with Publiq Development Group Sdn Bhd on 30 June 2022.

The Group reported a positive working capital of S$0.32 million as at 31 December 2022 as compared to S$29.55 million as at 31 December 2021. Outstanding cash balance as at 31 December 2022 stood at approximately S$0.38 million.

STATEMENT OF CASH FLOWS
Net cash used in operating activities in FY2022 was approximately S$1.78 million, mainly due to an operating cash outflow of approximately S$1.05 million before changes in working capital and interest paid of S$0.65 million.

Net cash generated from investing activities amounted to approximately S$3.87 million in FY2022 was due to net proceeds from disposal of subsidiary 3CMP of approximately S$3.87 million during the financial year.

Net cash used in financing activities amounted to approximately S$3.02 million in FY2022 mainly attributable to the cash distribution to minority shareholders of S$4.02 million and offset with inflows from the proceeds from shareholders loan of S$1.00 million during the financial year.

The Group recorded a net decrease in cash and cash equivalents of approximately S$0.93 million in FY2022.

PROPERTIES HELD FOR DEVELOPMENT

Description and location	Note	Intended Use	Site Area (Sq. Metres)	Gross Floor Area (Sq. Metres)	Tenure	Effective Group Interest (%)
Land site at Puteri Harbour, Johor, Malaysia	(1), (2), (3)	Mixed Development	172,400	–	Freehold	–

Notes:

(1) The carrying value of the land held for property development as at date of disposal is included in Note 11 of the financial statements under page 78.

(2) These developments have not commenced construction and have not launched yet.

(3) The land held for property development is owned by 3C Marina Park Sdn Bhd, a wholly-owned subsidiary of the Company. The Group has disposed of land held for property development following the completion of disposal of 3C Marina Park Sdn Bhd on 13 May 2022.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

Sustainability has become a critical success factor for companies to ensure long-term value creation. We are pleased to present the Group's annual Sustainability Report, for our financial year ended 31 December 2022. This report is set out on a "comply or explain" basis in accordance with Rules 711A, 711B and Practice Note 7F-Sustainability Report Guide of the Listing Manual Section B: Rules of Catalist of the SGX-ST.

BOARD STATEMENT

The key material environmental, social and governance ("**ESG**") factors for the Group have been identified and reviewed by the management of the Group and the board of directors of the Company (the "**Board**") provides overall oversight over the management and monitoring of these factors. The Board considers sustainability issues when determining the Group's strategic direction and policies. The Board is always mindful of its responsibilities to shareholders and various stakeholders to create and deliver sustainable value and long-term success through its leadership and oversight of the management of the Group's business.

REPORTING FRAMEWORK

We prepared our report with reference to the principles and requirements in the Sustainability Reporting Guide of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for Listed Companies, as well as the Global Reporting Initiatives ("**GRI**") Standards: Core Option. This report covers the financial year from 1 January to 31 December 2022 ("**FY2022**"). In addition, the SGX-ST has mandated that, effective for the financial year commencing on or after 1 January 2022, all issuers must include climate-related disclosures on a 'comply or explain' basis in their annual sustainability reports. Such disclosures must follow the Task Force on Climate-related Financial Disclosures ("**TCFD**")'s recommendations.

We have not sought external assurance on the preparation of this report, and we relied on our internal verification mechanisms to validate the accuracy of our reporting. Nevertheless, we plan to seek internal review on our Sustainability Report in the future.

All the Board members have completed the mandated sustainability training course organised by Singapore Institute of Directors as required by the enhanced SGX sustainability reporting rules announced in December 2021.

REPORTING SCOPE

The Company has completed the disposal of its wholly-owned subsidiary, 3C Marina Park Sdn Bhd ("**3CMP**") on 13 May 2022. As a result, the operations of the Group have been significantly reduced. This report will particularly focus on the economic and operation, governance and social issues that affect our group of companies in general aspects. The report also covers the performance of our Group in FY2022. As the Group's business and operation is at the minimal, we do not expect any potential material impact on climate-related risks and opportunities by the Group's business, strategy and financial planning. As we are currently lacking in qualitative and quantitative information related to climate-related disclosures, we endeavour to incrementally incorporate the TCFD recommendations into our report for future reporting periods.

FEEDBACK

We are committed to consider and evaluate material and constructive feedback from our stakeholders and we look forward to your feedback. Please send your feedback to enquiries@3cnergy.com.sg.

SUSTAINABILITY REPORT

GOVERNANCE STRUCTURE

Sustainability is embedded in our organisation's culture and is led from the top. The Group's governance structure supports and drives the sustainable development journey. We are guided by our code of conduct and ethics established to promote healthy corporate culture, ethical business practices and sustainability. Comprehensive policies and systems are also in place to manage sustainable practices across our various business activities.

Sustainability Governance is led by the Board and supported by all levels of the Group.

Board of Directors	• **Oversees the sustainability direction, strategies and policies.**
Management/Key Executives	• **Advises and supports the Board's decisions on sustainability matters, strategies and policies.** • **Management and monitoring of sustainability performance and targets.**
Staff	• **Implement sustainability initiatives and provide feedback on improvements.**

STAKEHOLDER ENGAGEMENT

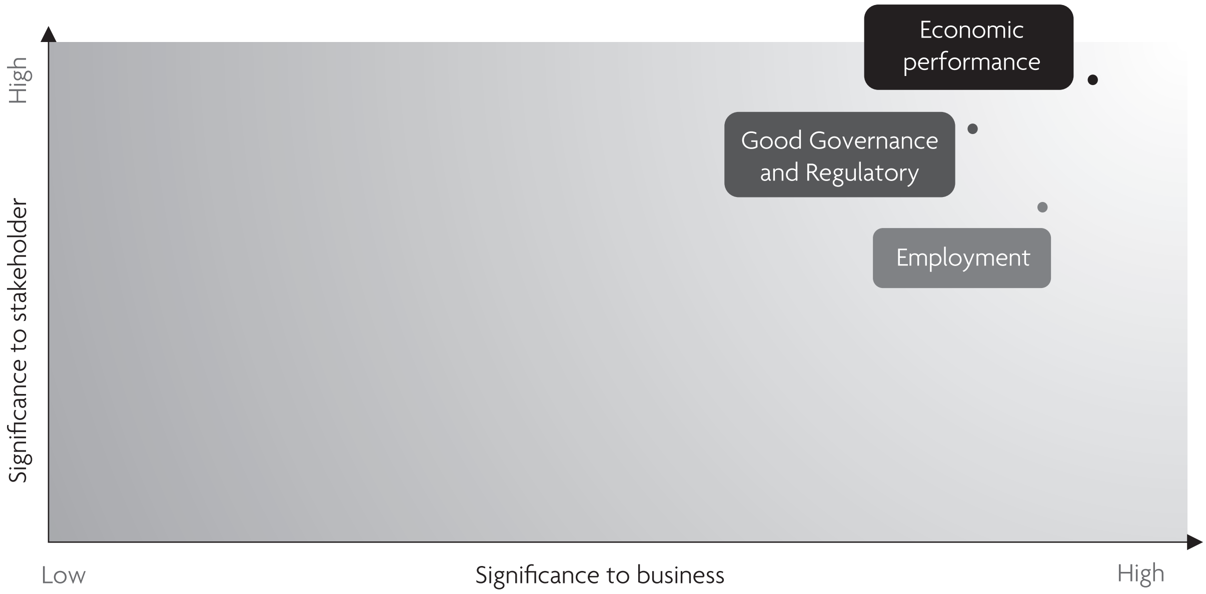
The Group's stakeholders include, but are not limited to, customers, shareholders, employees, suppliers and local government. We prioritise our stakeholders engagement based on the significance of their influence on our business and our dependency on them. We engage with our key stakeholders on a regular basis to ensure two-way communication and this is summarised in the table below:

Stakeholder	Topics of Concern	Frequency of engagement	Mode of engagement
Customers	• Product quality • Code of conduct	Ongoing	• Meetings • Email/phone call communication
Shareholders	• Corporate Governance • Compliance with Catalist Rules • Economic performance	Half yearly/Annually/ As required	• Annual reports • Annual general meetings • SGX announcements
Employees	• Staff rights and welfare • Career growth • Training and education opportunities • Good working environment	Ad hoc/Annually	• Employee handbook • Regular email communication • Staff appraisal
Suppliers	• Compliance with terms and conditions of purchasing policies and procedures • Maintenance of ethical standards	Ongoing	• Meetings • Email/phone call communication
Government and Regulators	• Compliance with rules and regulations	Ad hoc	• Government Publications/ written communication

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

In order to determine what ESG factors are most relevant to us, we conducted a materiality assessment involving key internal stakeholders. After assessing ESG related business risks, opportunities and issues, we have identified certain ESG factors that we believe to be most material to us in FY2022 and they are illustrated in the materiality matrix below.



ECONOMIC PERFORMANCE

Economic performance is very important to a company's stakeholders particularly its investors or owners, because this performance eventually provides them with a return on their investment. Other stakeholders, such as the firm's employees and the society at large, are also deemed to benefit from such performance, albeit less directly.

The Company has entered into a conditional sale and purchase agreement dated 23 February 2022 with Puteri Harbour Pte Ltd ("**Purchaser**") pursuant to which the Company has agreed to dispose of shares representing 100% of the issued share capital of 3CMP to the Purchaser ("**Proposed Disposal**"). The proposed disposal was completed on 13 May 2022.

Upon completion of the Proposed Disposal, a capital reduction exercise ("**Proposed Capital Reduction**") has been completed by the Company to write-off of the accumulated losses to the extent of S$138,857,331 and a cash distribution ("**Proposed Cash Distribution**") by the Company to the shareholders for each Share held by a shareholder amounting to an aggregate distribution of approximately S$35.7 million.

Performance in FY2022: The Group has recorded net profit after tax of S$6.26 million and a net decrease in cash and cash equivalents of S$0.31 million. Cash and cash equivalents are mainly used in payment of working capital purposes. The Group's businesses of integrated property development management, real estate valuation and appraisal services are ongoing during FY2022. The target to focus on its current businesses that was set previously for FY2022 has been met. However, the target to continue to pursue and explore new business opportunities as and when they arise previously set for FY2022 will continue to be the target in financial year ended 31 December 2023.

Target: The Group will continue to focus on its current businesses of integrated property development management and real estate valuation and appraisal services. At the same time, the Group will continue to pursue and explore new business opportunities as and when they arise.

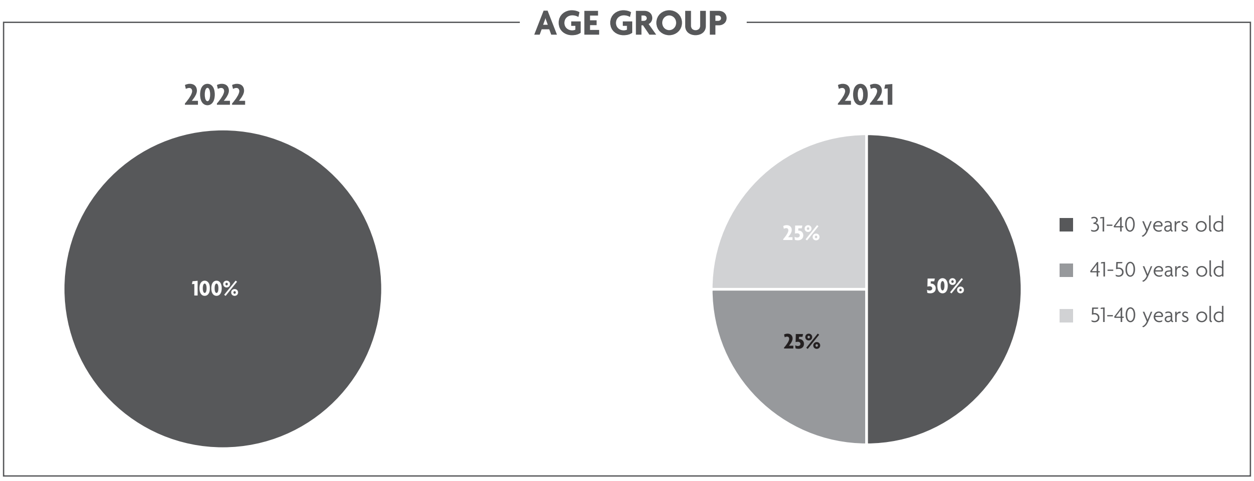
For detailed information, please refer to the financial statements section under pages 44 to 102 of this Annual Report.

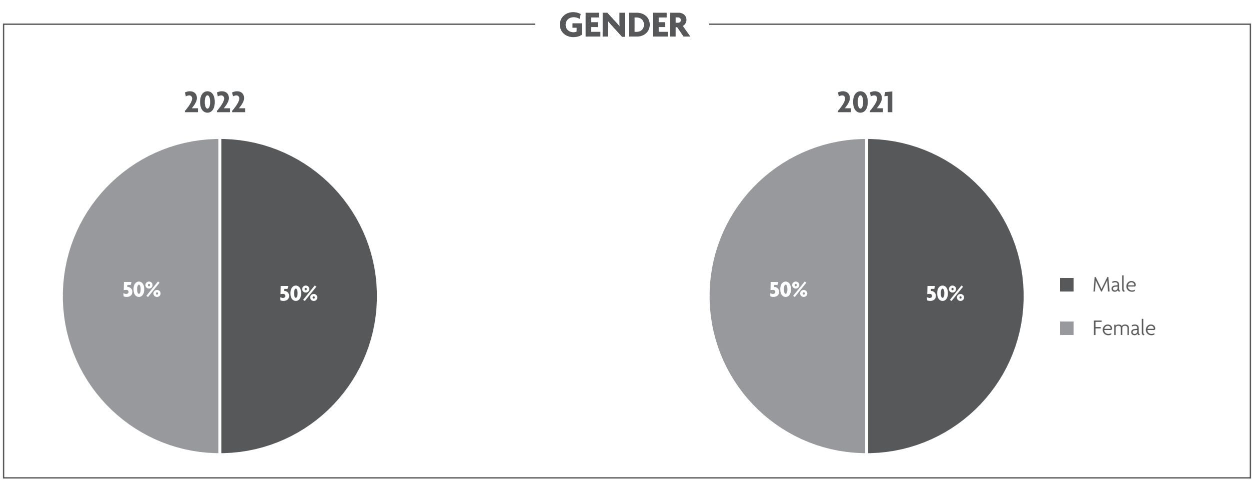
SUSTAINABILITY REPORT

EMPLOYMENT

Our employees have always been a key pillar in contributing to the Group's growth and success. The Group is also committed to carry out its social responsibility at the workplace for employees, and recognise that it is important to provide a safe and conducive working environment for employees. In addition, all employees are employed under fair and equitable terms. All employees are also given equal opportunities with regard to their career advancement.

Employee information of the Group as at 31 December 2022:





Age group representation declined from one category (31 – 40 years old) in FY2022 due to staff turnover as result of resignation. No new employee was hired in FY2022.

We treat all employees fairly, with respect and dignity, regardless of nationality, gender, age, race or religion. The hiring procedures are fair and non-discriminative. Staff are hired on the basis of merit, skills, experience or competency to perform the job. In FY2022, there were no employee complaints received with regards to discrimination in the workplace.

The Group ensures compliance with the respective labour and employment laws, including working hours and believes in good work-life balance for our employees. The Group has adopted annual leave increment policy based on length of service of each employee and allows only limited days carry-over to another calendar year. This is to encourage employees to take time off and utilise their leave entitlements.

The Group understands that there is a continuous need to upgrade the staff skills and knowledge. This is beneficial to the staff development and also to the Group. Thus, staff are encouraged to go for courses and seminars to keep themselves updated of the latest rules and regulations and upgrade their skill and knowledge so that they have the necessary skillset to perform their duties in an ever-changing environment.

SUSTAINABILITY REPORT

- **Code of Work Ethics**

All employees are expected to uphold and ensure that they do not engage in any interest that conflicts with any companies of the Group's businesses and ethics. The code of work ethics is published in our Company's Employee Handbook.

Performance in FY2022: There were no occurrence of occupational injuries and zero incident of non-compliance with applicable labour and employment laws. As such, the target previously set for FY2022 has been met. In the Company's Employee Handbook, it has highlighted the importance of complying with the safety practices and regulations in the workplace to keep a safe working environment and protecting employees from occupational hazards.

Target: To continue to cultivate a transparent and inclusive environment to attract and retain talent while ensuring a top-down approach to promote fair and ethical business dealings. The Group is also committed to comply with the applicable labour and employment laws and safeguard our employees' health and safety against any potential workplace hazards.

The Group's business and operation is at the minimal, hence we only focus employee factor under the social topic. We endeavour to expand social responsibility scope to focus on other stakeholders in future reports.

GOOD GOVERNANCE AND REGULATORY

The Group strives to comply with the best practices of good governance, guided by the Singapore's Code of Corporate Governance 2018 (the "**Code**") and the relevant regulatory requirements, throughout its operations to safeguard all stakeholders' interests and value in the long term. We commit to conduct our business with integrity and require the Board and management to comply with all laws and regulations. The Group recognises that good corporate governance processes are essential for enhancing corporate sustainability. Please refer to Report on Corporate Governance under page 14 to page 35 of this Annual Report for our corporate governance practices.

Performance in FY2022: There were zero incident of non-compliance with the relevant regulatory requirements. As such, the target previously set for FY2022 has been met.

Target: To continue to ensure no incidence of non-compliance with the relevant laws and regulations, corruption, bribery, extortion, fraud and money laundering resulting in internal disciplinary action or public allegations.

GRI Standards Content Index

GRI Standard	Disclosure	Reference/Description
GRI-102: GENERAL DISCLOSURES		
102-1	Name of the organisation	3Cnergy Limited
102-2	Activities, brands, products, and services	Integrated property development management, real estate valuation and appraisal services
102-3	Location of headquarters	Singapore
102-4	Location of operations	Singapore and Malaysia
102-5	Ownership and legal form	Public listed company on the Catalist of SGX-ST
102-6	Market served	Singapore and Malaysia
102-7	Scale of the organisation	Please refer to Corporate Structure section under page 2
102-8	Information on employees and other workers	Page 11
102-9	Supply chain	Not applicable
102-10	Significant changes to organisation and its supply chain	None
102-11	Precautionary principle or approach	The Company does not specifically address the precautionary approach.
102-12	External initiatives	Not applicable

SUSTAINABILITY REPORT

GRI Standard	Disclosure	Reference/Description
102-13	Membership of associations	Member of Singapore Business Federation
102-14	Statement from senior decision maker	Page 8
102-16	Values, principles, standard, and norms of behaviour	Page 10-12
102-18	Governance structure	Page 9
102-40	List of stakeholder groups	Page 9
102-41	Collective bargaining agreements	None
102-42	Identifying and selecting stakeholders	Page 9
102-43	Approach to stakeholder engagement	Page 9
102-44	Key topics and concerns raised	Page 10
102-45	Entities included in the consolidated financial statements	Please refer to Corporate Structure section under page 2
102-46	Defining report content and topic Boundaries	Page 8
102-47	List of material topics	Page 10
102-48	Restatements of information	None
102-49	Changes in reporting	None
102-50	Reporting period	1 Jan to 31 Dec 2022
102-51	Date of most recent report	11 April 2021
102-53	Contact point for questions regarding the report	Page 8
102-54	Claims of reporting in accordance with GRI Standards	Page 8
102-55	GRI Content index	Page 8
102-56	External assurance	Page 8
TOPIC-SPECIFIC STANDARDS		
GRI 201: Economic Performance		
201-1	Direct economic value generated and distribution	Page 10
GRI 401: Employment		
401-1	New employee hires and employee turnover	Page 11
403-2	Type of injury and rates of injury, occupational diseases, lost and absenteeism and number of work-related fatalities	Page 12
405-1	Diversity of governance bodies and employees	Page 11
406-1	Incidents of discrimination and corrective actions taken	Page 11

REPORT ON CORPORATE GOVERNANCE

The Board of Directors of 3Cnergy Limited (the "**Company**" and together with its subsidiaries, the "**Group**") (the "**Board**") is committed to maintaining high standards of corporate governance and has adopted the principles set out in the Code of Corporate Governance 2018 (the "**Code**") to promote transparency and to protect the interests of the Company's shareholders.

The Company has established various self-regulating and monitoring mechanisms to ensure that effective corporate governance is practised as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and financial performance of the Group.

This report describes the Company's corporate governance processes and structures that are in place during the financial year ended 31 December 2022 ("**FY2022**"), with specific reference made to the principles and provisions of the Code. Where there are deviations from the Code, appropriate explanations are provided.

A. BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

Apart from its statutory responsibilities under the Companies Act 1967 of Singapore (the "**Companies Act**"), and requirements pursuant to the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"), the Board sets the overall strategic directions of the Group and approves all major investments.

The main duties of the Board include:

- reviewing corporate strategies and business plans;
- ensuring Company's compliance with laws, regulations, policies, directions, guidelines and internal code of conduct;
- approving quarterly, half-year and full-year results announcements, where applicable;
- approving annual report, financial results and accounts;
- approving annual budget, material acquisitions and disposal of assets;
- approving interested person transactions;
- ensuring the adequacy of internal controls, risk management and periodic reviews of the Group's financial performance and compliance;
- ensuring accurate, adequate and timely reporting to and communication with shareholders; and
- all matters of strategic importance.

Matters which are specifically reserved to the full Board for approval include, *inter-alia*, those involving a conflict of interest, material acquisitions and disposal of assets, corporate or financial restructuring, share issuance, dividends, financial results and corporate strategies.

REPORT ON CORPORATE GOVERNANCE

To facilitate effective management, certain functions have been delegated by the Board to various committees, namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"). These Board Committees function within clearly defined terms of reference, which are reviewed on a regular basis. The Chairman of the respective Board Committees will report to the Board on the outcome of the Board Committee meetings.

Board members are provided with regular updates on changes to relevant laws, regulations and accounting standards, particularly on new laws and regulations, from time to time in the discharge of their duties as directors.

Management would conduct briefing and orientation programme(s) to newly appointed director to ensure that the director is familiar with the Group's business, operations and processes, as well as his/her duties as a director. The Company also encourages directors to attend seminars, trainings with the latest updates on changes in relevant regulations, accounting standards, corporate governance practices and guidelines from the SGX-ST that affect the Group. Upon appointment of each director, the Company will also provide a formal letter to each director which sets out their duties and obligations.

Ms Au Foong Yee joined the Board on 4 February 2022. Ms Au was briefed on the roles and obligations of a director of a SGX listed company as well as the Group's businesses, operations, and processes. Ms Au has also attended the required trainings on the roles and responsibilities of a director of SGX listed company as prescribed by the SGX within one year from her appointment date.

Ms Lai Ven Li joined the Board on 5 January 2023. Ms Lai was briefed on the roles and obligations of a director of a SGX listed company as well as the Group's businesses, operations, and processes. Ms Lai has also attended the required trainings on the roles and responsibilities of a director of SGX listed company as prescribed by the SGX as of 31 March 2023.

During AC meetings, the Company's internal auditors, Crowe Governance Sdn Bhd briefs and updates the AC members on the developments in the governance standards, if any. The external auditors also update the AC on the changes in accounting standards and relevant laws.

During Board meetings, the Chairman and the acting Group Chief Executive Officer ("**CEO**") cum Group Financial Controller provide updates to the other directors on the development of the real estate and property development industries in Singapore and Malaysia, including regulatory changes and the foreseeable impact on the Group.

During FY2022, the development/training programme for directors included the following:

- Listed Entity Director programmes.
- Sustainability training
- The Board was updated on changes to the Code of Corporate Governance, sustainability matters and related regulations, where applicable.

The Board meets regularly at least two times in each financial year. Ad-hoc Board meetings are called as and when deemed necessary by the Board to address any specific or significant matters that may arise. The Company's Constitution provides for directors to convene meetings other than physical meetings, by teleconferencing, videoconferencing or other electronic means of communication.

REPORT ON CORPORATE GOVERNANCE

Attendance at the Board, Board Committees and general meetings during FY2022 is disclosed as follows:

Name of Directors	Board		Audit Committee		Remuneration Committee		Nominating Committee		Annual General Meeting
	No. of Meetings held	No. of meetings attended	No. of Meetings held	No. of meetings attended	No. of Meetings held	No. of meetings attended	No. of Meetings held	No. of meetings attended	
Ong Pai Koo @ Sylvester	3	3	2	2	1	1	1	1	√
Au Foong Yee	3	3	2	2	1	1	1	1	√
Lai Ven Li(1)	–	–	–	–	–	–	–	–	–
Tong Kooi Ong(2)	–	–	–	–	–	–	–	–	–
Loh Chen Peng(3)	3	2	2	1	1	1	1	1	√

(1) Ms Lai Ven Li was appointed as Lead Independent Director, AC Chairman and a member of RC and NC on 5 January 2023.
(2) Mr Tong Kooi Ong resigned as Director on 11 February 2022.
(3) Mr Loh Chen Peng resigned as Lead Independent Director, AC Chairman and a member of RC and NC on 15 December 2022.

The Board requires directors to be able to commit sufficient time and attention to the affairs of the Board and their relevant Board Committees. A discussion of the procedure for assessing the directors' commitment to the Company is set out below under Principle 4.

Access to Information

Each member of the Board has access to complete, adequate and timely information regarding the Group as may be required for the discharge of his duties and responsibilities.

As a general rule, notices are sent to the directors one week in advance of Board meetings, followed by the Board papers which include financial results, budgets and all related information, in order for the directors to be adequately prepared for the meetings. Senior management personnel may be invited to attend board meetings to address queries from the directors. The directors also have unrestricted and independent access to the Company's senior management personnel.

The directors have separate and independent access to the company secretary(ies). The company secretary(ies) is available whenever required, to respond to queries of any director and to ensure that Board procedures are followed and applicable rules and regulations are complied with. The company secretary(ies) or their representative has attended all board meetings conducted during the year. The appointment and removal of the company secretary(ies) is a matter for the Board's consideration as a whole.

The Board (whether as individual members or as a group) has direct access to independent professional advisers, where so requested by them, at the expense of the Company.

REPORT ON CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE

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

The Company endeavours to maintain a strong and independent element on the Board. As at the date of this report, all Board members are non-executive directors, two (2) out of the three (3) Board members are independent directors, making up two-third of the Board, thereby has met the requirement that independent directors must comprise at least one-third of the Board. The Board comprises the following members:

Name of Directors	Board of Directors	Audit Committee	Nominating Committee	Remuneration Committee
Ong Pai Koo @ Sylvester	Independent Non-Executive Chairman	Member	Chairman	Chairman
Loh Chen Peng(1)	Lead Independent Director	Chairman	Member	Member
Ms Au Foong Yee	Non-Independent Non-Executive Director	Member	Member	Member
Ms Lai Ven Li(2)	Lead Independent Director	Chairman	Member	Member

(1) Mr Loh Chen Peng resigned as Lead Independent Director, AC Chairman, member of RC and NC on 15 December 2022.
(2) Ms Lai Ven Li was appointed as Lead Independent Director, AC Chairman and a member of RC and NC on 5 January 2023.

The Board considers an independent director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent business judgement with a view to the best interest of the Company.

The independence of each independent director is assessed at least annually by the NC based on the guidelines on independence specified in the Code and the circumstances set out in Rule 406(3)(d) of the Catalist Rules.

The independent directors of the Board have confirmed that they do not have any relationship with the Company or its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent business judgement with a view to the best interests of the Company. As at the date of this Report, none of the independent directors have served beyond nine years from the date of their first appointment:

Independent Director	Date of First Appointment	No. of years since Appointment
Ong Pai Koo @ Sylvester	15 September 2015	7 years and 7 months
Lai Ven Li	5 January 2023	3 months

The NC reviews the independence of the directors, Board structure, size and composition annually.

The NC has reviewed and determined that the said independent directors are independent; and further, that no individual or small group of individuals dominate the Board's decision-making process.

REPORT ON CORPORATE GOVERNANCE

The Board's Diversity Policy provides that, in reviewing Board composition, the NC will consider the benefits of all aspects of diversity, including diversity of skills, experience, background, gender, age, ethnicity and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The NC is of the view that the current Board size and composition are adequate and appropriate to facilitate effective decision making, after taking into consideration the nature and scope of the Group's current operations. The NC is also of the view that the current Board and Board Committees comprise persons whose diverse skills and experience provide for an effective Board; and who as a group, collectively possesses core competencies necessary for the effective functioning of the Board and an informed decision-making process. The Board believes that board diversity embraces various factors such as gender diversity, a need for individuals from all backgrounds, skill-sets, life experiences, abilities and beliefs for a better Board performance.

Non-executive directors and independent directors provide, amongst other things, strategic guidance to the Company based on their professional knowledge, in particular, assisting, constructively challenging and developing strategic proposals. Non-executive directors and independent directors also help to review the performance of Management in meeting agreed goals and objectives and to exercise oversight over performance reporting and disclosure. To this end and where appropriate, they are encouraged to arrange for meetings without Management being present, on a regular basis and at times deemed necessary. The non-executive directors and independent directors have conducted meeting once without the presence of Management during the financial year.

They meet the internal and external auditors without the presence of management at least once a year during the AC meetings. The purpose of such meetings are to provide feedback to the Board and/or Chairman as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

The Code stipulates that the roles of Chairman and CEO should, in principle, be separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

Mr Ong Pai Koo @ Sylvester is the independent non-executive chairman of the Board and Mr Leow Soon Hoe is the acting CEO and their roles are separate. Chairman assumes responsibilities for, amongst others, the effective function of the Board, while the CEO is responsible for the overall management of our Group's business operations based on the Board decision. The Board is of the view that the process of decision making by the Board is independent with the establishment of the various Board Committees which are chaired by the independent directors. Also, with two-third of the Board consisting of independent directors, there are adequate accountability and safeguards to ensure an appropriate balance of power and authority for good corporate governance.

The roles of the Chairman includes ensuring that Board meetings are held when necessary and setting the Board meeting agenda in consultation with the company secretary(ies) and ensuring that the Board is provided with adequate and timely information. In FY2022, there were three Board meetings held formally. As Chairman, Mr Ong Pai Koo @ Sylvester's roles include:

- Leading the Board to ensure its effectiveness on all aspects of its roles;
- Setting the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- Promoting a culture of openness and debate at the Board;
- Ensuring that the directors receive complete, adequate and timely information;
- Ensuring effective communication with shareholders;

REPORT ON CORPORATE GOVERNANCE

- Encouraging constructive relations within the Board and between the Board and Management;
- Facilitating the effective contribution of non-executive directors in particular; and
- Promoting high standards of corporate governance.

The CEO's/Acting CEO's performance is reviewed annually by the NC whilst his remuneration package reviewed by the RC annually. The NC will also review the appointment to the Board, when required.

Lead Independent Director

Ms Lai Ven Li is the Lead Independent Director appointed to lead and co-ordinate the activities of the independent directors. The Lead Independent Director is responsible to assist the Chairman and the Board to assure effective corporate governance in managing the affairs of the Board and the Company.

The Lead Independent Director is the principal liaison on Board issues between the independent directors and the Chairman.

She will also be available to shareholders who have concerns in the event that normal interactions with the Chairman or acting CEO have failed to resolve their concerns or where such channels of communication are considered inappropriate.

BOARD MEMBERSHIP

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

The NC is established for the purposes of ensuring that there is a formal and transparent process for all Board appointments. The NC comprises total three (3) members, two (2) of whom, including the Chairman, are independent directors:

Mr Ong Pai Koo @ Sylvester	(Chairman)
Ms Lai Ven Li	(Member)
Ms Au Foong Yee	(Member)

The principal roles and functions of the NC include the following:

(a) to make recommendations to the Board on all Board appointments and re-nomination, having regard to contribution and performance of the directors;

(b) to ensure that directors submit themselves for re-nomination and re-election at regular intervals and at least once in every 3 years;

(c) to determine annually whether a director is independent or as and when circumstances require, guided by guidelines in the Code and the Catalist Rules;

(d) to decide if a director is able and has adequately carried out his duties as a director where he has multiple listed company board representations; and

(e) to decide how the performance of the Board may be evaluated and propose objective performance criteria.

The NC is also involved in the review of board succession plans for directors, in particular the Chairman and CEO. The NC also makes recommendation to the Board for periodic training to be conducted for directors.

REPORT ON CORPORATE GOVERNANCE

The NC ensures that there is a formal and transparent process for all appointments to the Board. It has adopted written terms of reference defining its membership, administration and duties.

Where a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new director with particular skills, the NC, in consultation with the Board, determines the selection criteria and selects candidates with the appropriate expertise and experience for the position.

The search and nomination process for new directors, if any, will be through search companies, contacts and recommendations. The NC will review, assess and meet with the candidates before making recommendation to the Board. In recommending new directors to the Board, the NC takes into consideration the skills and experience required to support the Group's business activities or strategies, the current composition and size of the Board, and strives to ensure that the Board has an appropriate balance of independent directors as well as directors with the right profile of expertise, skills, attributes and ability. The NC makes recommendations to the Board on re-appointments of directors based on their contributions and performance, together with the review of the range of expertise, skills and attributes of current Board members, and the needs of the Board, keeping in mind the requirement for Board diversity at all times.

The Constitution of the Company requires one-third of the directors for the time being, or if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation and shall be eligible for re-election by the shareholders in every annual general meeting of the Company ("AGM"). Directors appointed by the Board during the financial year, shall only hold office until the next AGM, and thereafter be eligible for re-election at the AGM.

The NC has recommended to the Board that Mr Ong Pai Koo @ Sylvester ("Sylvester") and Ms Lai Ven Li ("Ms Lai") be nominated for re-election at the forthcoming AGM. In making the recommendation, the NC had considered the director's overall contributions and performance and the Board accepted NC's recommendation.

Sylvester, upon re-election as a director of the Company, will remain as the Chairman, the Chairman of the NC and RC, and a member of the AC. Sylvester is considered an independent non-executive director and she has no relationships including immediate family relationship with other directors, the Company or its substantial shareholders.

Ms Lai, upon re-election as a director of the Company, will remain as the Lead Independent Director, the Chairman of the AC, and a member of the NC and RC. Ms Lai is considered an independent non-executive director and she has no relationships including immediate family relationship with other directors, the Company or its substantial shareholders.

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

Although some of the Board members have multiple board representations on listed companies, the NC, after discussion with the said directors, is satisfied that sufficient time and attention has been given by the directors to the Group. At the moment, based on the number of other board representation of the directors as disclosed in the table below, the NC has made a recommendation that the maximum number of listed company board representations which any director may hold is 5. The NC will continue to review from time to time the board representations of each director to ensure that the directors continue to meet the demands of the Group and are able to discharge their duties adequately.

Key information about the Board members, including their principal commitments, is presented in this Annual Report under the heading "Board of Directors".

REPORT ON CORPORATE GOVERNANCE

The details of the Board, including the year of initial appointment and re-election, as well as directorship in other listed companies, are disclosed as follows:

Name of Director	Appointment	Date of Initial Appointment	Date of Last Re-election	Directorship in other Listed Companies (existing and for the preceding three years)
Ong Pai Koo @ Sylvester	Independent Non-Executive Chairman	15 September 2015	27 April 2021	–
Loh Chen Peng[1]	Lead Independent Director	8 August 2017	26 April 2022	Past Singapore: Avarga Limited Malaysia: Bermaz Auto Berhad Tropicana Corporation Berhad
Ms Lai Ven Li	Lead Independent Director	5 January 2023	–	–
Ms Au Foong Yee	Independent Director	4 February 2022	26 April 2022	Existing Malaysia: Inta Bina Group Berhad

(1) Mr Loh Chen Peng resigned as the Lead Independent Director on 15 December 2022.

BOARD PERFORMANCE

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

Performance evaluation of the Board is aimed at giving directors an opportunity to gauge their effectiveness individually and collectively. It also helps to ensure continual improvement in the Board's decision-making process as it provides a benchmark by which future performance can be measured.

The NC evaluates the performance of the Board and Board Committees and that of the individual directors based on performance criteria set by the Board.

The criteria for assessing the Board's and Board Committees' performance include Board composition and size, Board processes, accountability, standard of conduct and performance of its principal functions and fiduciary duties, and guidance to and communication with Management. The criteria for assessing individual director's contribution include, *inter alia*, the level of contribution to Board meetings, commitment of time and overall effectiveness.

As part of the evaluation process, the directors will complete appraisal forms which are then collated by the company secretary(ies) who will submit to the Chairman of the NC in the form of a summary report. The summary report will be discussed during the NC meeting with a view to implementing recommendations to further enhance the effectiveness of the Board.

The NC has reviewed the overall performance of the Board and Board Committees in terms of its roles and responsibilities and the conduct of its affairs as a whole for the financial year and is of the view that the performance of the Board as a whole has been satisfactory. The NC has also reviewed the individual director's performance in terms of attendance, areas of expertise, adequacy of preparation for board meetings, participation in board discussion, and participation in own specialist relevant area during the financial year and is of the view that the performance of each individual director has been satisfactory.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of his/her performance. The Company has not engaged an external facilitator in the evaluation process.

REPORT ON CORPORATE GOVERNANCE

B. REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

The RC is established for the purposes of ensuring that there is a formal and transparent process for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. The RC comprises three (3) members, all are non-executive directors, two (2) of whom are independent directors:

Mr Ong Pai Koo @ Sylvester	(Chairman)
Ms Lai Ven Li	(Member)
Ms Au Foong Yee	(Member)

The main role of the RC is to review and recommend to the Board, the remuneration packages and terms of employment of the directors and the key executives of the Company. The RC also considers all aspects of remuneration, including termination terms to ensure they are fair. The RC meets at least once a year with all members of the committee in attendance. In its review and approval of the recommendations on remuneration policies and packages for the directors and key executives, the RC covers all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, share options and benefits-in-kind.

The RC's recommendations are made with inputs from the acting CEO, where required, and submitted for endorsement by the entire Board. The non-independent and independent directors are compensated based on fixed directors' fees taking into consideration their contributions, responsibilities and time spent. Payments of directors' fees will be endorsed by the Board before being subject to shareholders' approval at each AGM.

Remuneration of key executive officer will be recommended by the RC with inputs from the acting CEO, where required, and reviewed by the Board. The review will take into account the value and the extent of contribution of the staff towards the financial health and business needs of the Company. The acting CEO shall abstain from voting on any resolutions in respect of his own remuneration package.

In addition, in discharging its functions, the RC may obtain independent external professional advice as it deems necessary and the cost of which will be borne by the Company. The RC did not engage any external professional during FY2022.

Each member of the RC shall abstain from voting on any resolutions in respect of his or her own remuneration package.

LEVEL AND MIX OF REMUNERATION

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

The RC and the Board are of the view that the remuneration of the directors and key executives is adequate but not excessive in order to attract, retain and motivate them to operate the Company successfully.

The Group has an employment agreement with its acting CEO. The acting CEO or the Group may terminate the employment agreement by giving the other party, *inter alia*, not less than two months' notice in writing or two months' salary in lieu of notice in writing. The Group does not have any termination, retirement, or post-employment benefits granted to the acting CEO, directors, and key executive officers. The Board is of the opinion that the employment agreement does not contain any onerous removal terms.

The non-executive directors receive directors' fees in accordance with their contributions, taking into account factors such as effort and time spent, responsibilities of the directors.

REPORT ON CORPORATE GOVERNANCE

DISCLOSURE ON REMUNERATION

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

In recommending the level and mix of remuneration, the RC seeks to establish a framework for attracting, retaining and motivating employees. The Group subscribes to linking executive remuneration to corporate and individual performance based on annual appraisal of employees. The level and structure of remuneration of directors and key management executives are aligned with the long term interest and risk policies of the Company.

In considering the disclosure of remuneration of the Directors and key management personnel, the Board has regarded the industry conditions in which the Group operates as well as the sensitive nature of such information. The Board believes that full detailed disclosure of the remuneration of each Director and each key management personnel would be prejudicial to the Group's interest given the highly competitive environment. The Board has instead presented such information in the form of remuneration bands.

Currently, the Company does not have key management personnel (who are not a director or acting CEO). A breakdown showing the level and mix of each individual director's and acting CEO's remuneration for FY2022 is disclosed in the table below:

Name	Fees (%)	Salary[#] (%)	Bonus (%)	Other Benefits (%)	Share-based Compensation (%)	Total (%)
Directors **Remuneration in the band below S$250,000**						
Ong Pai Koo @ Sylvester	100	–	–	–	–	100
Loh Chen Peng[1]	100	–	–	–	–	100
Lai Ven Li[2]	–	–	–	–	–	–
Au Foong Yee	100	–	–	–	–	100
CEO and acting CEO **Remuneration in the band below S$250,000**						
Chung Chee Khuen[3]	–	94	6	–	–	100
Leow Soon Hoe[4]	–	94	6	–	–	100

(1) Mr Loh Chen Peng resigned as the Lead Independent Director on 15 December 2022.
(2) Ms Lai Ven Li appointed as Lead Independent Director on 5 January 2023.
(3) Mr Chung Chee Khuen resigned as Group CEO on 1 January 2023.
(4) Mr Leow Soon Hoe re-designated as Acting Group CEO cum Group Financial Controller on 1 January 2023.
(#) Refers to basic salary and CPF contribution by employer

Total remuneration paid to the key management personnel (who are not directors) for the financial year ended 31 December 2022 was approximately S$210,000.

There was no employee in the Group who is an immediate family member of a director, the acting CEO or a substantial shareholder of the Company whose remuneration exceeded S$100,000 during the financial year under review. No employee of the Group is a substantial shareholder of the Company.

Performance Share Plan ("**PSP**")

At present, the Company does not have a PSP. The previous PSP had been expired in January 2021 without being renewed. There were no share awards granted under the previous PSP.

REPORT ON CORPORATE GOVERNANCE

C. ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

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

The Board recognises its responsibilities over the governance of risks and has set in place management procedures for ensuring a sound system of risk management and internal controls. These procedures include a structured Enterprise Risk Management ("ERM"), management reviews of key transactions, and the assistance of the Group's external and internal auditors to review financial statements and internal controls covering key risk areas.

Risk Management

Since FY2013, the Group has in place an ERM programme which covers the following areas:

- ***ERM policies and procedures***

An overall framework for risk management has been documented in a manual disseminated to personnel responsible for oversight of risks and operations of risk countermeasures. This ERM manual includes the terms of reference of the various personnel and committee responsible for monitoring and managing risks in the Group. The ERM process also requires ongoing identification of key risks to the Company and reporting these risks to the Board to better determine whether appropriate measures could be taken to address relevant risks. Risk workshops were conducted for the key management personnel to cover a structured approach of identification and assessment of risks.

- ***Risk Appetite of the Company***

Generally, the Group will rely on Management to monitor day to day operations while subjecting key corporate decisions, such as investments or acquisitions of businesses for Board approval. The Company's performance is monitored closely by the Board periodically and any significant matters that might have an impact on the Group's operating results are required to be brought to the immediate attention of the Board.

The Company has also taken a strict stance towards avoiding any risks that might result in breaching relevant laws and regulations and risks that could adversely affect the reputation of the Group. Active efforts are also put in place to manage these risks, such as transferring them to third party insurers or having internal control procedures to better mitigate the likelihood of their occurrence. Internal audits are conducted regularly to assess the ongoing compliance with the established controls to address any key risk areas where applicable.

- ***Risk assessment and monitoring***

Based on the ERM framework, the nature and extent of risks to the Company will be assessed regularly and risk reports covering top risks to the Group will be submitted to the Board on a yearly basis. The risk report of the Company has been submitted and discussed by the Board in FY2022. A set of risk registers to document risks arising from this ERM exercise has also been established to document all key risks and the corresponding countermeasures and will be updated whenever new risks emerge.

REPORT ON CORPORATE GOVERNANCE

Internal Controls

The Board recognises the importance of sound internal controls, risk management practices and corporate governance. It is committed to maintaining a robust and effective system of internal controls. This is to safeguard shareholders' interests and the Group's assets. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management and for reviewing the adequacy and integrity of those systems on an annual basis.

The Group has been establishing a system of internal controls to promote effectiveness and efficiency of operations, reliability of financial reports and compliance with relevant laws and regulations. The internal controls include detailed policies and procedures to guide key operations, documented delegation of authority over key business transactions and specific control activities within the business workflow processes. The system of internal controls is also reviewed independently on an on-going basis, as part of both the annual internal and external audit plans.

During the financial year, the Group's internal auditors had conducted one review exercise of the effectiveness of the Group's internal controls and operating procedures. The Group's external auditors had also reviewed the internal accounting controls that are relevant to their audit. Any non-compliance and recommendation for improvement were reported to the AC.

The Company has also implemented a Control Self-Assessment ("**CSA**") the exercise covering key operating areas in the Group. This exercise comprises internal control questionnaires to be completed by staff to assess level of effectiveness of internal controls and risk countermeasures. This CSA covers all the key business processes of the Group and results of the CSA exercise is included in the periodic risk report to the Board and AC.

Other than the above risk report from the ERM and CSA exercises, the Board has also received assurance from the acting CEO cum Group Financial Controller that:

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

(b) the Company's risk management and internal control systems are effective and adequate.

The Board, with the concurrence of AC, is of the opinion that, the system of internal controls maintained by the Group's management throughout the financial year ended 31 December 2022 is adequate and effective to address the financial, operational, compliance and information technology risks as at 31 December 2022.

The Board and AC are of the opinion that, the Company's internal controls were adequate based on:

- The internal controls established and maintained by the Group;
- Reports issued by the internal auditors and external auditors;
- Risk report arising from the ERM and CSA exercise;
- Regular reviews performed by the Management, and annual review undertaken by the AC and the Board; and
- Assurance from the acting CEO cum Group Financial Controller.

The Board acknowledges that it is responsible for maintaining a sound system of internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. Internal control can provide only reasonable and not absolute assurance against material misstatement, losses, human errors, fraud or other irregularities.

REPORT ON CORPORATE GOVERNANCE

Interested Person Transactions ("IPT")

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

AUDIT COMMITTEE

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

The AC comprises three (3) members, all are non-executive directors, two (2) of whom are independent directors:

Ms Lai Ven Li	(Chairman)
Mr Ong Pai Koo @ Sylvester	(Member)
Ms Au Foong Yee	(Member)

The Board is of the view that the members of the AC are appropriately qualified, having accounting or related financial management expertise or experience as the Board interprets such qualification, to discharge their responsibilities. None of the AC members were previous partners or Directors of the Company's external and internal audit firms within the last two years and none of the AC members hold any financial interest in the external and internal audit firms engaged.

The AC assists the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records and develop and maintain an effective system of internal controls. The responsibilities of the AC include the following:

(a) to review with the external auditors the audit plan, their evaluation of the system of internal accounting controls to the extent that such controls are relevant to their audit of the financial statements, their audit report, their management letter and the Management's response;

(b) to review quarterly, half-yearly and annual financial statements (where applicable) before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas (including the need for product liability insurance), significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with the SGX-ST and other relevant statutory/regulatory requirements;

(c) to review the internal control and procedures and ensure co-ordination between the external auditors and Management, review the assistance given by Management to the auditors and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of Management where necessary);

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

(e) to consider the appointment or re-appointment of the external auditors, the audit fees, and matters relating to the resignation or dismissal of the auditors;

(f) to review transactions falling within the scope of interested person transactions in the Catalist Rules, and in particular matters pertaining to acquisitions and realisations;

(g) to review and assess the Company's foreign exchange and hedging policies including whether the Company has in place adequate and appropriate hedging policies and used appropriate instruments for hedging, if applicable;

REPORT ON CORPORATE GOVERNANCE

(h) to review the adequacy and structure of the finance function on an on-going basis and take appropriate remedial actions as may be necessary;

(i) to conduct annual internal control audits to review the Group's internal controls and procedures so as to review its adequacy and effectiveness;

(j) to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(k) to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time; and

(l) reviewing the assurance from the acting CEO cum Group Financial Controller on the financial records and financial statements.

The AC will also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on the operating results or financial position of the Company. Each member of AC will abstain from voting in respect of matters in which he/she is interested.

The AC meets with the external auditors and internal auditors without the presence of Management at least once in every financial year. The AC has met with the external auditors and internal auditors without the presence of Management during the financial year once. The AC has reasonable resources to enable it to discharge its functions properly.

For FY2022, the aggregate amount of fees payable to Mazars LLP, the external auditors of the Company is S$35,000 (exclusive of Goods and Services Tax), all being audit related work carried out by the external auditors and there were no non-audit related work carried out by the external auditors. The AC is satisfied that the external auditors' independence has not been impaired. As such, the AC has recommended to the Board that Mazars be nominated for re-appointment as the Company's auditors at the forthcoming AGM. The AC is also satisfied with the level of cooperation rendered by Management to the external auditors and the adequacy of the scope and quality of their audits.

In performing its functions, the AC has explicit authority to investigate any matter within its terms of reference, having full access to and co-operation by Management and full discretion to invite any director or executive officer to attend its meetings.

The Company is in compliance with Rules 712 and 715 of the Catalist Rules in relation to its external auditors.

The AC met three times during the financial year under review. During the AC meetings, the external auditors have updated the AC on the changes in accounting standards which may have a direct impact on financial statements.

Whistle-Blowing Policy

The Company has put in place a whistle-blowing framework whereby employees of the Company and external parties may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters and for appropriate follow up actions. The details of the whistle-blowing policies and arrangements have been made available to all employees.

All whistleblowing reports received are reviewed by the Chairman of the AC. Upon receipt of any report, the AC will review it and if deemed necessary appoint an investigator with no personal interest in the matter to conduct an investigation into the matters disclosed. The Company is committed to ensuring protection of the whistleblowers against detrimental or unfair treatment, the identity of the whistleblower and their reports will be treated confidentially and fairly.

REPORT ON CORPORATE GOVERNANCE

The AC is responsible for oversight and monitoring of whistleblowing, and oversees the whistleblowing policy and its related procedures. Half yearly reports will be submitted to the AC stating, if any, the number and nature of complaints received, the results of investigation, follow up actions and unresolved complaints. There were no whistle-blowing reports received in FY2022.

Internal Audit

The AC is aware that an internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the Group's internal controls system. Accordingly, the internal audit function is outsourced to Crowe Governance Sdn Bhd who reports primarily to the AC. Crowe Governance Sdn Bhd is part of an international auditing firm network and they perform their work based on their Internal Audit Methodologies which are consistent with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

The internal auditors report directly to the Chairman of the AC although they also report administratively to the acting CEO. The main function of the internal auditors is to review the effectiveness and quality of the systems of control of the Company and this review is performed with impartiality, proficiency and due professional care. The internal audit function is independent of the activities or operations of the Company. The internal auditor has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The AC reviews and approves the internal audit plan submitted by the internal audit function. On an ongoing basis, the internal auditors report to the AC any significant weaknesses and risks identified in the course of the internal audits conducted. Recommendations to address control weaknesses are further reviewed by the internal auditors based on implementation timeline agreed with the Management.

Since the engagement of the internal audit function and subsequent to its review of the scope and results of the internal audit, the AC is satisfied that the internal audit function is independent, effective, adequately resourced and has the appropriate standing within the Group. The AC will continue to assess the adequacy and effectiveness of internal audit function annually. The AC has met with the internal auditors without the presence of Management during the financial year once.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

The Group's corporate governance culture and awareness promote fair and equitable treatment of all shareholders. All shareholders enjoy specific rights under the Companies Act, and Constitution of the Company. All shareholders are treated fairly and equitably.

The Group respects the equal information rights of all shareholders and is committed to the practice of fair, transparent and timely disclosure.

The Constitution of the Company allows members of the Company, being individuals, to appoint not more than two (2) proxies to attend and vote on their behalf at the general meetings.

Shareholders are given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing the meetings are clearly communicated.

At the general meetings of the Company, shareholders are given the opportunity to air their views and ask directors questions regarding the Group. Shareholders are encouraged to attend the general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and goals. The general meetings are the principal forum for dialogue with shareholders.

REPORT ON CORPORATE GOVERNANCE

The Constitution of the Company allows the directors at their sole discretion to approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile. However, as the authentication of shareholder identity and other related security issues still remain a concern, the Company does not practice voting in absentia at this moment.

The directors, including Chairman of each of the Board Committees are present at the general meetings to answer questions from the shareholders. The external auditors are also present to assist the directors in addressing any relevant queries by shareholders. All Directors' serving at the time of the meetings attended such meetings that were held during FY2022.

The Company ensures that there are separate resolutions at general meetings on each distinct issue unless the resolutions are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting. Each item of special business included in the notice of meetings will be accompanied by the relevant explanatory notes. This is to enable the shareholders to understand the nature and effect of the proposed resolutions. Further, all resolutions at general meetings are put to vote by poll in the presence of independent scrutineer(s). The Company prepares minutes of general meetings which are made available to shareholders via SGXNet and the Company's website within one (1) month from the date of the general meetings.

The forthcoming AGM to be held on 27 April 2023 will be held via 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 (the "Order"). Alternative arrangements relating to the mode of publication of notice of AGM, despatch of annual report and proxy form, attendance at the AGM via electronic means, submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions, appointing proxies to attend and vote in shareholders' stead at the AGM, live voting and live question-and-answer session via text, will be put in place for the AGM. Please refer to the notice of the AGM dated 12 April 2023 for further information. The minutes of the AGM for FY2022 will be released to the SGXNET within one (1) month from the date of AGM.

ENGAGEMENT WITH SHAREHOLDERS

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

The Board is aware of its obligations to shareholders and has devised investor relations policies to provide regular, effective and fair communication and convey pertinent information to shareholders. In line with continuous disclosure obligations of the Company pursuant to the Catalist Rules, the Board's policy is that all shareholders should be equally and timely informed of all major developments and events that impact the Group. Information is communicated to shareholders through:

– annual reports issued to all shareholders. Non-shareholders may access the SGXNET for static copies of the Company's annual reports;

– quarterly, half and full-year results announcements on the SGXNet, where applicable;

– other announcements on the SGXNet; and

– press releases on major developments regarding the Company.

REPORT ON CORPORATE GOVERNANCE

The Company held an AGM on 26 April 2022 via electronic means pursuant to the Order. The minutes of the said AGM has been published on SGXNET on 25 May 2022. Pursuant to the Order, in the last AGM, shareholders were invited to send their questions which was to be addressed prior to and/or during the AGM. No questions were received from shareholders for the AGM held on 26 April 2022. Please refer to the Notice of AGM on pages 105 to 109 or proxy form of this annual report for the instructions for the upcoming AGM.

For questions raised by shareholders in relation to any agenda item of the notice of general meetings, the Company may organise media/analyst briefing to solicit and understand shareholders' view when such need arises.

The Company does not have a policy on payment of dividends. The Company did not declare dividend for the financial year due to the losses incurred during the financial year.

The investor relations policy also explains that shareholders with questions may contact the Company by email to enquiries@3cnergy.com.sg. Through that contact, the Company may respond to such questions.

E. MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

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

The Company undertakes a formal stakeholder engagement exercise to determine the environmental, social and governance issues that are important to the stakeholders. These issues form the materiality matrix reviewed by and approved by the Board, before they are published annually in the Company's sustainability report. The Company's executives are also involved in ongoing engagements with these same stakeholders through various other channels.

The Company's approach to stakeholder engagement and materiality assessment can be found in the Sustainability Report.

F. DEALING IN SECURITIES

In accordance with Rule 1204(19) of the Catalist Rules, the Group has adopted an internal code of conduct to provide guidance to the directors and all officers of the Company not to deal in the Company's shares during the period commencing one (1) month prior to the announcement of the Company's quarterly (where applicable), half-year and full-year financial results and ending on the date of the announcement of the financial results.

The Group has reminded its directors and officers that it is an offence under the Securities and Futures Act, Chapter 289, for a listed issuer or its officers to deal in the Company's shares when the officers are in possession of unpublished material price-sensitive information in relation to those securities. Directors and officers are expected to observe insider-trading laws at all times even when dealing in the Company's Shares within permitted trading periods. The directors and officers should not deal in the Company's securities on short-term considerations.

The Company has complied with the internal code of conduct for the financial year ended 31 December 2022.

REPORT ON CORPORATE GOVERNANCE

G. MATERIAL CONTRACTS

The Company acquired Orientis Solutions Sdn Bhd in July 2014. Prior to the acquisition, Orientis Solutions Sdn Bhd had entered into a contract involving the interests of the controlling shareholder and shareholders' approval was obtained on 30 June 2014 for the contract.

Interested Party	Nature of Contract	Contract Value
Publiq Development Group Sdn Bhd[1]	Project Consultancy Services	RM9.8 million (equivalent to S$3.18 million based on prevailing exchange rate)
Puteri Harbour Pte Ltd	Loan	S$16.8 million

(1) The Company's wholly-owned subsidiary, Orientis Solutions Sdn Bhd and Publiq Development Group Sdn Bhd have mutually agreed to terminate the letter of appointment on 30 June 2022.

A wholly owned subsidiary, 3C Marina Park Sdn Bhd has on 19 March 2020 entered into a loan agreement with Puteri Harbour Pte Ltd ("Lender") pursuant to which the Lender has agreed to grant a non-interest bearing unsecured loan of a principal sum of up to S$16.8 million. The Lender's shareholders comprise Phileo Capital Limited (50%), Champion Brave Sdn Bhd (25%), Casi Management Sdn Bhd (12.5%) and Halfmoon Bay Capital Limited (12.5%), each of whom is substantial shareholders of the Company. The maturity date of the loan is earlier of: (i) 31 March 2023; or (ii) such time when the Group is able to meet its financial obligations when they fall due so that 3C Marina Park Sdn Bhd can continue to operate as a going concern for the period up to 31 March 2023. The disposal of 3C Marina Park Sdn Bhd was completed on 13 May 2022, as such, the loan has accordingly ceased.

The Company has entered into a conditional sale and purchase agreement dated 23 February 2022 with Puteri Harbour Pte Ltd (the "Purchaser"), pursuant to which the Company has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase, the entire issued ordinary shares ("Sale Shares") of 3C Marina Park Sdn Bhd, a wholly-owned subsidiary of the Company, for an aggregate consideration of S$36.0 million. The disposal of 3C Marina Park Sdn Bhd was completed on 13 May 2022.

On 3 April 2023, the Company has entered into a shareholder loan agreement with Phileo Capital Limited ("Lender"), a controlling shareholder of the Company, pursuant to which the Lender has agreed to grant a non-interest bearing unsecured loan of a principal sum of up to Singapore Dollars Two Hundred and Fifty Thousand S$250,000.00 to finance the Group's working capital needs and current operations. The maturity date of the loan is the earlier of: (i) 30 April 2024; or (ii) such time the Company has the necessary funds to meet its financial obligations as and when they fall due so that the Company can continue to operate as a going concern for the period up to 30 April 2024. The Lender will extend the repayment of the loan if the Company has insufficient cash to make payments by the maturity date. The loan repayment will be extended until the Company has the necessary funds to meet its financial obligations as and when they fall due so that the Company can continue to operate as a going concern.

Save for the transactions disclosed above, there were no material contracts entered into by the Group involving the interest of the acting CEO, or any Director or controlling shareholder of the Company, either subsisting at the end of the financial year, or if not then subsisting, entered into since the end of the previous financial year.

H. INTERESTED PERSON TRANSACTIONS

The Company has adopted internal guidelines in respect of any transactions with interested persons and has set out the procedures for the review and approval of the Company's interested person transactions ("IPT"). The main objective is to ensure that all IPTs are conducted on arm's length basis and on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority shareholders.

REPORT ON CORPORATE GOVERNANCE

The Board had reviewed all IPTs for the financial year under review. The aggregate value of IPT entered into for the financial year under review is as follows:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules) S$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S$100,000) S$'000
Publiq Development Group Sdn Bhd Project Consultancy Services & recovery of incidentals	An associate of Mr Tong Kooi Ong	–	(*)
3C Marina Park Sdn Bhd Facilities Management Services & Corporate-Related Services	An associate of Mr Tong Kooi Ong	–	38

(*) Less than $1,000

The Group has a general mandate from shareholders to enter into the following types of IPT:

1. Real Estate Agency Services
2. Facilities Management Services
3. Project Management Services
4. Purchase of advertising-related services from The Edge Media Group
5. Financial Assistance and Services
6. Lease of Properties or Spaces
7. Secondment of Staff
8. Corporate-Related Services

with Mr Tong Kooi Ong and/or his Associates (including future associates).

I. NON-SPONSOR FEES

PrimePartners Corporate Finance Pte. Ltd. ("PPCF") was appointed Sponsor of the Company with effect from 23 June 2021. In FY2022, there were no non-sponsor fees paid to the PPCF.

REPORT ON CORPORATE GOVERNANCE

Directors standing for re-election at the Annual General Meeting

The following information relating to Mr Ong Pai Koo @ Sylvester and Ms Lai Ven Li, of whom are standing for re-election as a director at the forthcoming AGM, is provided pursuant to Rule 720(5) of the Catalist Rules.

Name of Director	Mr Ong Pai Koo @ Sylvester
Date of Appointment	15 September 2015
Date of last re-appointment (if applicable)	27 April 2021
Age	65
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Nominating Committee noted that in accordance with the Company's Constitution, Mr Ong Pai Koo @ Sylvester shall be required to retire at the forthcoming annual general meeting. Mr Ong Pai Koo @ Sylvester agreed to retire and stand for re-election. The Board having considered the recommendation of the Nominating Committee, approved the re-election and re-nomination of Mr Ong Pai Koo @ Sylvester.
Whether appointment is executive, and if so, the area of responsibility	Non-executive
Job Title	Independent Non-Executive Chairman, the chairman of NC and RC, and a member of AC
Professional qualifications	Please refer to the "Board of Directors" section in the Company's 2022 Annual Report
Working experience and occupation(s) during the past 10 years	Please refer to the "Board of Directors" section in the Company's 2022 Annual Report
Shareholding Interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) of the Rules of Catalist has been submitted to the listed issuer	Yes

REPORT ON CORPORATE GOVERNANCE

Other Principal Commitments including Directorships – Past (for the last 5 years) and Present	Past directorship Nil Present directorship 1. King Fraser International Pte Ltd 2. PKS Jaya Sdn Bhd 3. Liberal Monies Sdn Bhd
Information required under items (a) to (k) of Appendix 7F of the Rules of Catalist	There is no change to the responses previously disclosed by Mr Ong Pai Koo @ Sylvester under items (a) to (k) of Appendix 7F of the Rules of Catalist which were all "No". The Appendix 7F information in respect of Mr Ong Pai Koo @ Sylvester's appointment as Director was announced on 15 September 2015
(Disclosure applicable to the appointment of director only) Any prior experience as a director of an issuer listed on the Exchange?	Not Applicable

Name of Director	Ms Lai Ven Li
Date of Appointment	5 January 2023
Date of last re-appointment (if applicable)	Not applicable
Age	49
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Nominating Committee noted that in accordance with the Company's Constitution, Ms Lai Ven Li shall be required to retire at the forthcoming annual general meeting. Ms Lai Ven Li agreed to retire and stand for re-election. The Board having considered the recommendation of the Nominating Committee, approved the re-election and re-nomination of Ms Lai Ven Li
Whether appointment is executive, and if so, the area of responsibility	Non-executive
Job Title	Lead Independent Director, Chairman of AC, and a member of NC and RC
Professional qualifications	Please refer to the "Board of Directors" section in the Company's 2022 Annual Report
Working experience and occupation(s) during the past 10 years	Please refer to the "Board of Directors" section in the Company's 2022 Annual Report
Shareholding Interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	No

REPORT ON CORPORATE GOVERNANCE

Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) of the Rules of Catalist has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships – Past (for the last 5 years) and Present	Past directorship Nil Present directorship Bluechip Capital Pte Ltd
Information required under items (a) to (k) of Appendix 7F of the Rules of Catalist	There is no change to the responses previously disclosed by Ms Lai Ven Li under items (a) to (k) of Appendix 7F of the Rules of Catalist which were all "No". The Appendix 7F information in respect of Ms Lai Ven Li's appointment as Director was announced on 5 January 2023.
(Disclosure applicable to the appointment of director only) Any prior experience as a director of an issuer listed on the Exchange?	No

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of 3Cnergy Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2022 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2022.

In the opinion of the directors, the financial statements of the Group and the statement of financial position and statement of changes in equity 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 December 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended 31 December 2022, and there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. Directors

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

Mr Ong Pai Koo @ Sylvester
Ms Au Foong Yee
Ms Lai Ven Li (Appointed on 5 January 2023)

2. 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 3 and 4 below.

3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as disclosed below:

	Direct interest		Deemed interest	
Name of directors and companies in which interests are held	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
The Company (Ordinary Shares) – 3Cnergy Limited				
Au Foong Yee[1] (Appointed on 4 February 2022)	2,000,000	2,000,000	–	–

1 The shares are held jointly with her spouse.

There was no change in any of the above-mentioned interests between the financial year end and 21 January 2023.

DIRECTORS' STATEMENT

4. Share options and performance shares

There were no share options and/or share awards granted by the Company and its subsidiaries 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 and its subsidiaries.

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

5. Audit Committee

The Audit Committee of the Company comprises three non-executive directors and at the date of this report, they are:

Ms Lai Ven Li (Chairman) (Appointed on 5 January 2023)
Mr Ong Pai Koo @ Sylvester
Ms Au Foong Yee

The Audit Committee has convened two meetings during the year with key management and the internal and external auditors of the Company.

The Audit Committee carried out its functions in accordance with Section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the Audit Committee:

(i) reviewed the audit plan and results of the external audit, the independence and objectivity of the external auditors, including, where applicable, the review of the nature and extent of non-audit services provided by the external auditors to the Group;

(ii) reviewed the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;

(iii) reviewed the Group's annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;

(iv) reviewed the quarterly (where applicable), half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;

(v) reviewed and assessed the adequacy of the Group's risk management processes;

(vi) reviewed and checked the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;

(vii) reviewed interested person transactions in accordance with SGX listing rules;

(viii) reviewed the nomination of external auditors and gave approval of their compensation; and

(ix) submitted of report of actions and minutes of the Audit Committee to the board of directors with any recommendations as the Audit Committee deems appropriate.

DIRECTORS' STATEMENT

5. **Audit Committee** (Continued)

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

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

6. **Auditors**

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

On behalf of the directors

Ong Pai Koo @ Sylvester
Director

Lai Ven Li
Director

Singapore
5 April 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 3CNERGY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of 3Cnergy 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 December 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 44 to 102.

In our opinion, the accompanying financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the financial performance, changes in equity and cash flows of the Group, and changes in equity of the Company 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("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 judgment 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 3 significant components whereby 2 required a full scope audit and 1 required a specific audit of their financial information, either because of their size or/and their risk characteristics.

Out of the 3 significant components, 1 was audited by component auditors under our instructions and the remaining 2 were directly audited by us. 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 3CNERGY LIMITED

Report on the Audit of the Financial Statements (Continued)

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 judgments and estimates to be made by directors.

Key Audit Matters

Key audit matters is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current financial year. This matter was 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 this matter.

Key Audit Matter 1	**How the matter was addressed in the audit**
Disposal of 3C Marina Park Sdn Bhd ("3CMP") (Note 17)	
On 23 February 2022, the Company entered into a conditional sale and purchase agreement ("SPA") with Puteri Harbour Pte Ltd, a related party, to dispose off its entire interest in 3CMP for an aggregate consideration of $36 million. The consideration was satisfied by offsetting against a cash distribution amount due to the substantial shareholders of $31.7 million and cash received of $4.3 million. The transaction is a major transaction and an Interested Person Transaction. An extraordinary general meeting ("EGM") was held on 22 March 2022 and the transaction was approved by shareholders. The Group announced that they have completed the disposal of 3CMP and received the consideration of $4.3 million. A gain of $7.5 million on disposal was recognised on the income statement. In consideration of the significance of the transaction, we determined this as a key audit matter.	Our audit procedures included, and were not limited to, the following: • Reviewed the terms and conditions stipulated within the SPA between the Company and Puteri Harbour Pte Ltd; • Evaluated the presentation of discontinued operations in the financial statements in accordance to SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*; • Evaluated the computation and classification of the results of the profit or loss on the discontinued operations in accordance to SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*; and • Verified amounts of receipts of the disposal consideration from Puteri Harbour Pte Ltd and gain on disposal of 3CMP.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 3CNERGY LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key Audit Matter 2	**How the matter was addressed in the audit**
Going concern status of the Group (Note 1)	
For the financial year ended 31 December 2022, the Group incurred a normalised loss before tax position of approximately $621,000 and negative operating cash outflows of $1,779,000. As at 31 December 2022, the Group have cash and bank balances of $379,000. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Notwithstanding the above conditions, management assessed and concluded that there is no material uncertainty relating to the Group's ability to continue as a going concern on the following premise: On 4 April 2023, the Group has received $250,000 via a shareholder loan from the holding company, Phileo Capital Limited. The holding company will extend the repayment terms of the loan until the Group has sufficient cash to meets its financial obligations when they fall due. In addition, the holding company of the Group have expressed their willingness to provide continued financial support to the Group to enable the Group to repay their debts as and when they fall due. The assessment of the appropriateness of the Group's going concern assumption requires significant management judgement and estimates, including the management's assessment of the feasibility of their plans in arriving at the projections of the future cash flows of the Group. This is a key audit matter because of the significant management judgement and estimates made in coming up with the cash flow projections, which include their ability to secure continued financial support.	Our audit procedures included, and were not limited to, the following: • Obtained an understanding of and reviewed the Group's future business operations plans; • Reviewed and challenged the reasonableness and appropriateness of the key inputs and assumptions used by management in the preparation of the cash flows projections, taking into consideration facts and information that became available subsequent to the financial year, including the receipts of incoming funds; and • Evaluated the appropriateness and adequacy of the disclosures made in the financial statements in respect to the management's assessment of the appropriateness of the use of going concern assumption in their preparation of the Group's financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 3CNERGY LIMITED

Report on the Audit of the Financial Statements (Continued)

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 express any form of assurance conclusion thereon.

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

If, based on the work we have performed on the other information that we obtained prior to the date of this 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' Responsibility 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 3CNERGY LIMITED

Report on the Audit of the Financial Statements (Continued)

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

- 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.

- 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 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore 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 Mr Wong Zi En.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
5 April 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 $'000	2021 $'000
Continuing operations			
Revenue	4	**591**	147
Cost of services rendered	7	**(92)**	(93)
Gross profit		**499**	54
Other operating income	5	**5**	192
Sales and distribution costs		**(1)**	–
General and administrative expenses		**(669)**	(579)
Finance costs	6	**(*)**	(*)
Loss before tax from continuing operations	7	**(166)**	(333)
Income tax expense	8	**–**	–
Loss from continuing operations, net of tax		**(166)**	(333)
Discontinued operation			
Profit/(Loss) from discontinued operation, net of tax	17	**6,425**	(8,314)
Profit/(Loss) for the year		**6,259**	(8,647)
Other comprehensive income/(loss) for the year, net of tax			
Items that may be reclassified subsequently to profit or loss			
– Exchange differences on translation of foreign subsidiaries		**212**	(83)
Total comprehensive income/(loss) for the year attributable to the owners of the Company		**6,471**	(8,730)
(Loss)/Earnings per share (cents per share)			
Basic and diluted	25		
– Continuing operations		**(0.01)**	(0.01)
– Discontinued operation		**0.21**	(0.27)
Total basic and diluted earnings/(loss) per share		**0.20**	(0.28)

(*) Less than $1,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	9	**2**	5	**2**	3
Intangible assets	10	**–**	–	**–**	–
Investments in subsidiaries	11	**–**	–	**155**	9,762
Land held for property development	12	**–**	–	**–**	–
		2	5	**157**	9,765
Current assets					
Trade receivables	13	**9**	11	**–**	–
Other receivables and deposits	14	**8**	34	**(*)**	1
Prepayments		**19**	6	**17**	6
Amounts due from subsidiaries	15	**–**	–	**12**	20,678
Tax recoverable		**(*)**	1	**–**	–
Cash and cash equivalents	16	**379**	693	**214**	443
Assets of disposal group classified as held-for-sale	17	**–**	80,168	**–**	–
		415	80,913	**243**	21,128
Total assets		**417**	80,918	**400**	30,893
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	18	**–**	5	**–**	5
Accruals and other payables	19	**95**	123	**78**	90
Contract liabilities	20	**–**	535	**–**	–
Lease liability	21	**1**	2	**1**	2
Bank borrowings	22	**–**	–	**–**	–
Liabilities of disposal group classified as held-for-sale	17	**–**	50,702	**–**	–
		96	51,367	**79**	97
Non-current liabilities					
Lease liability	21	**1**	2	**1**	2
Deferred tax liabilities	23	**1**	1	**–**	–
		2	3	**1**	2
Equity attributable to owners of the Company					
Share capital	24	**3,264**	143,292	**3,264**	177,822
Translation reserve		**(47)**	(259)	**–**	–
Accumulated losses		**(2,898)**	(113,485)	**(2,944)**	(147,028)
		319	29,548	**320**	30,794
Total liabilities and equity		**417**	80,918	**400**	30,893

(*) Less than $1,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Attributable to owners of the Company			
	Share capital $'000	**Translation reserve[1] $'000**	**Accumulated losses $'000**	**Total equity $'000**
Group				
Balance at 1 January 2021	143,292	(176)	(104,838)	38,278
Loss for the year	–	–	(8,647)	(8,647)
Other comprehensive loss for the year, net of tax	–	(83)	–	(83)
Total comprehensive loss for the year	–	(83)	(8,647)	(8,730)
Balance at 31 December 2021	143,292	(259)	(113,485)	29,548
Capital reduction via writing off accumulated losses	(104,328)	–	104,328	–
Capital reduction via cash distribution (Note 24)	(35,700)	–	–	(35,700)
Profit for the year	–	–	6,259	6,259
Other comprehensive income for the year, net of tax	–	212	–	212
Total comprehensive income for the year	–	212	6,259	6,471
Balance at 31 December 2022	**3,264**	**(47)**	**(2,898)**	**319**

Note:

(1) Translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency.

	Share capital $'000	**Accumulated losses $'000**	**Total equity $'000**
Company			
Balance at 1 January 2021	177,822	(138,857)	38,965
Loss for the year, representing total comprehensive loss for the year	–	(8,171)	(8,171)
Balance at 31 December 2021	177,822	(147,028)	30,794
Capital reduction via writing off accumulated losses (Note 24)	(138,858)	138,858	–
Capital reduction via cash distribution (Note 24)	(35,700)	–	(35,700)
Profit for the year, representing total comprehensive income for the year	–	5,226	5,226
Balance at 31 December 2022	**3,264**	**(2,944)**	**320**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 $'000	2021 $'000
OPERATING ACTIVITIES			
Loss before tax from continuing operations	7	**(166)**	(333)
Profit/(Loss) before tax from discontinued operation	17	**6,425**	(8,314)
		6,259	(8,647)
Adjustments for:			
– Depreciation of property, plant and equipment	9	**2**	6
– Amortisation of other intangible assets	10	**–**	68
– Impairment of land held for property development	12	**–**	5,387
– Interest income	5	**(4)**	(10)
– Interest expense	6	**648**	1,799
– Reversal of contract liabilities		**(455)**	–
– Gain on disposal of subsidiary	11	**(7,523)**	–
– Unrealised exchange differences		**19**	582
– Bad debt written off		**16**	–
Total operating cash flows before movements in working capital		**(1,038)**	(815)
Changes in working capital			
Receivables		**(1)**	24
Contract liabilities		**(63)**	91
Payables		**(33)**	(273)
Cash used in operations		**(1,135)**	(973)
Interest received	4	**4**	10
Interest paid	6	**(648)**	(1,794)
Income tax		**(*)**	(1)
Net cash used in operating activities		**(1,779)**	(2,758)
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		**1**	–
Proceeds from disposal of a subsidiary, net of cash disposed	11	**3,869**	–
Cash flows generated from investing activities		**3,870**	–
FINANCING ACTIVITIES			
Capital reduction	24	**(4,022)**	–
Repayment of lease liability	21	**(2)**	(1)
Proceeds from related party loan		**1,000**	2,000
Net cash flows (used in)/from financing activities		**(3,024)**	1,999
Net decrease in cash and cash equivalents		**(933)**	(759)
Cash and cash equivalents at beginning of the year		**1,312**	2,071
Cash and cash equivalents at end of the year	16	**379**	1,312

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Note	2022 $'000	2021 $'000
Cash and cash equivalents			
– Continuing operations	16	**379**	693
– Discontinued operation	17	**–**	619
		379	1,312

(*) Less than $1,000

Reconciliation of liabilities arising from financing activities

	At beginning of the year $'000	Financing cash inflow/(outflows) $'000	Non-cash movements: Reclassification to liabilities of disposal group classified as held-for-sale $'000	Non-cash movements: Foreign exchange movement $'000	Non-cash movements: Interest expense $'000	At end of the year $'000
2022						
Liabilities						
Lease liability	**4**	**(2)**	**–**	**–**	**(*)**	**2**
Loan from a related party	**–**	**1,000**	**(1,000)**	**–**	**–**	**–**
2021						
Liabilities						
Bank borrowings	47,297	–	(46,479)	(818)	–	–
Lease liability	5	(1)	–	–	(*)	4
Loan from a related party	2,200	2,000	(4,200)	–	–	–

(*) Less than $1,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

1. GENERAL

The Company (Registration No. 197300314D) is a limited liability company which is incorporated and domiciled in Singapore and is listed on Catalist under Singapore Exchange Securities Trading Limited (SGX-ST). The registered office and principal place of business of the Company is located at 82 Ubi Avenue 4, #05-04 Edward Boustead Centre, Singapore 408832.

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

The financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2022 were authorised for issue by the Board of Directors on 5 April 2023.

Going concern basis

For the financial year ended 31 December 2022, the Group has negative cash flows of $1,779,000 from its operating activities and recognised a normalised loss before tax position of approximately $621,000, which excludes the impact of profit before tax attributable by discontinued operation amounting to $6,425,000 and contract liabilities written off amounting to $455,000. As at 31 December 2022, the Group holds cash and cash equivalents of $379,000. These conditions cast doubt on the appropriateness of the going concern assumption used by the Group.

Notwithstanding the above conditions, the Directors have prepared the consolidated financial statements on a going concern basis with the assumption that the Group has sufficient cash flows to support its continuing operations subsequent to the year end as the Group obtained $250,000 shareholder loan from the holding company, Phileo Capital Limited. The holding company will extend the repayment terms of the loan until the Group has sufficient cash to meets its financial obligations when they fall due. In addition, the holding company of the Group have expressed their willingness to provide continued financial support to the Group to pay their debts as and when they fall due.

As at the date of the approval of these financial statements, the Directors are not aware of any circumstances or reasons which would likely affect the Group's ability to continue as going concern. In light of the foregoing, the Directors opined that it is appropriate to prepare the financial statements on a going concern basis.

If the Group were unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that the assets may need to be realised other than in the normal course of business and at amounts which could differ from the amounts at which they are currently recorded in the statements of financial positions. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities, respectively. No such adjustments have been made to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of SFRS(I) ("SFRS(I) INTs") and are prepared on the 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 and statement of changes in equity of the Company are presented in Singapore dollar ("$") which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("$'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 January 2022. 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.

SFRS(I)s and SFRS(I) INTs issued but not yet effective

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

SFRS (I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*	1 January 2023
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
SFRS(I) 16	Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*	1 January 2024
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non- current*	1 January 2024
Various	Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024

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 the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company:

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

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

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

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

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

Changes in the Group's ownership interests in existing subsidiaries

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

When the Group loses control of 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. All amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in joint ventures and associates.

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

2.3 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations (Continued)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer are measured in accordance with SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-current Assets Held-for-sale and Discontinued Operation* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year from acquisition date.

2.4 Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (Continued)

Financial assets

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

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

Classification of financial assets

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

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

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- 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.

By default, all other financial assets are subsequently measured at FVTPL.

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (Continued)

Financial assets (Continued)

Classification of financial assets (Continued)

Amortised cost and effective interest method (Continued)

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

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

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "other operating income" line item.

Foreign exchange gains and losses

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for ECL on financial assets measured at amortised cost and debt instruments measured at FVTOCI. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

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

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

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- An actual or expected significant deterioration in the operating results of the debtor; and

- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

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

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if, i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Credit-impaired financial assets

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

a) significant financial difficulty of the issuer or the borrower; or

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

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

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

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

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Measurement and recognition of ECL (Continued)

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for ECL on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and 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.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the 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 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 received.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the 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.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

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.

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 FVTPL, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities are classified as at FVTPL if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at FVTPL 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Other financial liabilities (Continued)

Borrowings

Interest-bearing bank loans and overdrafts 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 3.4 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Financial guarantee contracts

The Company has issued corporate guarantee to a bank for banking facility granted by them to a subsidiary and this guarantee qualify as financial guarantee because the Company is required to reimburse the bank if this subsidiary breach any repayment terms.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with SFRS(I) 15 Revenue from Contracts with Customers.

Fair value is determined in the manner described in Note 29.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

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

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "general and administrative expenses" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting arrangements

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

2.5 Non-current assets (or disposal groups) and discontinued operation held-for-sale

Non-current assets (or disposal groups) are classified as held-for-sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable with the asset (or disposal group) being available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to be completed within one year from the date of classification.

They are measured at the lower of the carrying amount and fair value less costs to sell. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

Depreciation and amortisation for a non-current asset ceases once it is classified as held-for-sale or while it is part of a disposal group classified as held-for-sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held-for-sale shall continue to be recognised.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held-for-sale, and

(i) represents a separate major line of business or geographical area of operations;

(ii) is part of a single co-ordinated plan to dispose of a separate major line or geographical area of operations; or

(iii) is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operation is disclosed separately from continuing operations as a single amount comprising the post-tax profit or loss of discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal groups constituting the discontinued operation.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 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 applies 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.

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 applies the recognition exemption allowed under SFRS(I) 16 Leases. 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.

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 applies 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.

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 applies the recognition exemption allowed under SFRS(I) 16 Leases. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Leases (Continued)

Right-of-use asset is presented within "property, plant and equipment".

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.

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 is reduced to zero.

2.7 Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken other than earthwork, infrastructure work and professional fees incurred to put the land ready for development or land held for future development in respect of which development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Cost of land held for property development comprises land cost, direct materials, direct labour, other direct costs, attributable overheads and borrowing cost (see accounting policy for borrowing cost below) capitalised during the development period. Cost associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Land held for property development is transferred to property development (under current assets) where development activities have commenced and where the development activities can be completed within the Company's normal operating cycle.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Computers	3 years
Furniture and fixture	7 to 10 years
Office equipment	5 to 10 years

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

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

For right-of-use asset for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 21.

The gain or loss arising on the disposal or retirement of an asset which is determined as the difference between the sale proceeds and the carrying amount of the asset is recognised in profit or loss for the period in which they arise.

2.9 Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of non-financial assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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 (or cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.11 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle 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 reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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.

A provision is recognised for onerous contracts when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it and is measured at the lower of the cost of fulfilling it and any expected cost of terminating it. In determining the cost of fulfilling the contract, the Group includes both the incremental costs and an allocation of others costs that relate directly to fulfilling contracts. Before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets used in fulfilling the contract.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Revenue recognition

The Group recognises revenue from valuation service fee and the management of long-term project management contracts.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue from the following services:

(a) Valuation service fees

Revenue from valuation service fees is recognised at a point in time when these services are rendered and are contractually billable. Revenue from related services such as course fee, bank referral fee, resale-net, valuation and e-stamping fee and refreshments are recognised when these services are rendered.

(b) Project management fees

Revenue from the management of long-term project management contracts are recognised over time, using the input method to measure progress towards complete satisfaction of the service, as the customer simultaneously receives and consumes the benefits provided by the Group. Management has assessed that the stage of completion is determined as the proportion of the total service period that has elapsed as at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under SFRS(I) 15 *Revenue from Contracts with Customers*. Payment for these services are due in accordance with payment schedules in the customer contract, on straight-line basis over the term of the contract.

2.13 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 capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The amount of borrowing costs eligible for capitalisation is determined based on actual interest incurred on borrowings made specifically for the purpose of obtaining a qualifying asset and less any investment income on the temporary investment of that borrowing.

All other borrowing costs are recognised as finance cost in profit or loss in the year in which they are incurred.

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 and Malaysia Employees 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.

2.15 Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. The estimated liability for annual leave is recognised for services rendered by employees up to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Deferred tax 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.

Current and deferred tax are recognised as an expense or income in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Foreign currency transactions and translation

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.

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.

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.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision makers who are responsible for allocation of resources and assessing performance of the operating segments.

2.19 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.

Non-monetary government grant is recognised at nominal amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Contingencies

A contingent liability is:

(i) 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

(ii) a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) 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 statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

3.1 Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management is of the opinion that any instances of application of judgements are not expected to have significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

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

Management is of the opinion that there are no key sources of estimation uncertainty at the end of the financial year that has a significant effect on the amounts of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. REVENUE

The Group derives its revenue from the transfer of services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 *Operating Segments* (see Note 31).

	Group	
	2022	**2021**
	$'000	**$'000**
Continuing operations		
Project management fees – recognised over time	**556**	95
Valuation service fees – recognised at a point in time	**35**	52
	591	147

5. OTHER OPERATING INCOME

	Group	
	2022	**2021**
	$'000	**$'000**
Continuing operations		
Government grants	**–**	14
Interest income	**2**	3
Others	**3**	175
	5	192
Discontinued operation (Note 17)		
Interest income	**2**	7
Gain on disposal of a subsidiary	**7,523**	–
Others	**–**	10
	7,525	17

6. FINANCE COSTS

	Group	
	2022	**2021**
	$'000	**$'000**
Continuing operations		
Interest expenses on lease liability	**(*)**	(*)
Discontinued operation (Note 17)		
Interest expenses on bank borrowings	**648**	1,799

(*) Less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7. LOSS BEFORE TAX

The following charges were included in arriving at loss before tax.

Cost of services rendered comprises:

	Group	
	2022	**2021**
	$'000	**$'000**
Continuing operations		
Project management costs	**82**	77
Valuation service costs	**10**	16
	92	93

The following changes were included in arriving at general and administrative expenses:

	Group	
	2022	**2021**
	$'000	**$'000**
Continuing operations		
Audit fees paid/payable to:		
– Auditor of the Company	**35**	35
– Other auditors	**3**	3
Non-audit fees paid/payable to:		
– Other auditors	**2**	3
Depreciation of property, plant and equipment (Note 9)	**2**	4
Amortisation of other intangible assets (Note 10)	**–**	68
Employee benefits	**217**	231
Non-executive directors' fees	**79**	56
Reversal of contract liabilities	**455**	–
Rental of premises	**2**	2
Bad debt written off	**16**	–
Discontinued operation (Note 17)		
Audit fees paid/payable to other auditors	**–**	4
Non-audit fees paid/payable to other auditors	**–**	1
Repair and maintenance	**6**	31
Other general expenses	**2**	5
Property expenses	**444**	522
Unrealised exchange loss	**–**	29
Net foreign exchange loss	**–**	551
Depreciation of property, plant and equipment (Note 9)	**(*)**	2
Impairment of land held for property development (Note 12)	**–**	5,387

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7. LOSS BEFORE TAX (CONTINUED)

Employee benefits

	Group 2022 $'000	Group 2021 $'000
Continuing operations		
Employee benefits expense:		
– Salaries and bonuses	**173**	193
– Employer's contribution to defined contribution plans	**27**	29
– Other short-term benefits	**17**	9
	217	231

(*) Less than $1,000

8. INCOME TAX EXPENSE

	Group 2022 $'000	Group 2021 $'000
Current income tax:		
– Current financial year	**–**	–

The reconciliation of effective tax rate is as follows:

	Group 2022 $'000	Group 2021 $'000
(Loss)/Profit for the year before tax		
– Continuing operations	**(166)**	(333)
– Discontinued operation	**6,425**	(8,314)
	6,259	(8,647)
Tax at Singapore statutory tax rate of 17%	**1,064**	(1,470)
– Tax effect of:		
– Income not subject to tax	**(1,285)**	(23)
– Expenses not deductible for tax purposes	**270**	1,858
– Deferred tax assets not recognised	**23**	185
– Effect of difference in tax rate	**(72)**	(550)
	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9. PROPERTY, PLANT AND EQUIPMENT

Group	Computers $'000	Furniture and fixture $'000	Office equipment $'000	Total $'000
Cost:				
At 1 January 2021	63	17	17	97
Written off	(2)	–	–	(2)
Reclassification to assets of disposal group classified as held-for-sale (Note 17)	–	(15)	(6)	(21)
At 31 December 2021	61	2	11	74
Written off	(49)	–	(1)	(50)
Disposal	–	(2)	(3)	(5)
Exchange difference	(2)	–	1	(1)
At 31 December 2022	**10**	**–**	**8**	**18**
Accumulated depreciation:				
At 1 January 2021	61	8	8	77
Depreciation	1	2	3	6
Written off	(2)	–	–	(2)
Reclassification to assets of disposal group classified as held-for-sale (Note 17)	–	(8)	(4)	(12)
At 31 December 2021	60	2	7	69
Depreciation	–	–	2	2
Written off	(49)	–	(1)	(50)
Disposal	–	(2)	(2)	(4)
Exchange difference	(1)	–	–	(1)
At 31 December 2022	**10**	**–**	**6**	**16**
Carrying amount:				
At 31 December 2022	**–**	**–**	**2**	**2**
At 31 December 2021	1	–	4	5

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property, plant and equipment includes right-of-use asset of $2,000 (2021: $3,000) in office equipment which are presented together with the owned assets of the same class as the underlying assets. Details of the right-of-use asset are disclosed in Note 21(a).

Company	Computers $'000	Office equipment $'000	Total $'000
Cost:			
At 1 January 2021/31 December 2021/31 December 2022	10	8	18
Accumulated depreciation:			
At 1 January 2021	10	3	13
Depreciation	–	2	2
At 31 December 2021	10	5	15
Depreciation	–	1	1
At 31 December 2022	10	6	16
Carrying amount:			
At 31 December 2022	–	2	2
At 31 December 2021	–	3	3

10. INTANGIBLE ASSETS

Intangible assets arising from acquisition of subsidiaries are as follows:

Group	Goodwill $'000	Other intangible assets $'000	Total $'000
Cost:			
At 1 January 2021/31 December 2021	3,768	3,000	6,768
Written off (Note 11)	(3,768)	(3,000)	(6,768)
At 31 December 2022	–	–	–
Accumulated amortisation:			
At 1 January 2021	3,768	2,932	6,700
Amortisation	–	68	68
At 31 December 2021	3,768	3,000	6,768
Written off (Note 11)	(3,768)	(3,000)	(6,768)
At 31 December 2022	–	–	–
Carrying amount:			
At 31 December 2022	–	–	–
At 31 December 2021	–	–	–

Other intangible assets

Other intangible assets relate to contractual rights on project management contracts acquired in business combination and have been fully amortised during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022	**2021**
	$'000	**$'000**
Unquoted shares, at cost	**7,697**	108,913
Allowance for impairment loss	**(7,542)**	(99,151)
	155	9,762

Movement in the above allowance:

	Company	
	2022	**2021**
	$'000	**$'000**
At January 1	**99,151**	90,594
Addition	**1,302**	8,565
Reversal	**(30)**	–
Written off	**(92,881)**	(8)
At December 31	**7,542**	99,151

Impairment testing of investments in subsidiaries

Management performed an assessment of impairment in investments in subsidiaries based on the operating and financial performance of the subsidiaries. The recoverable amount of the subsidiaries is measured at fair value less costs of disposal ("FVLCD"). The FVLCD is determined based on net tangible assets of the respective entities which management have estimated that the book value is fairly comparable at market value which approximates the FVLCD. The fair value of the recoverable amount is categorised as Level 3 based on the fair value hierarchy. During the financial year, impairment loss of $1,302,000 (2021: $8,565,000) was recognised for the investment in 3C Property Consultants Pte Ltd, 3Cnergy Sdn Bhd, 3CMP and Whitehouse Holdings Pte Ltd with the amount of $1,500 (2021: $55,000), $1,300,100 (2021: $NIL), $NIL (2021: $7,850,000) and $NIL (2021: $660,000) respectively. There is a $30,000 (2021: $NIL) reversal of impairment loss during the financial year from Orientis Solutions Sdn Bhd. Additionally, accumulated impairment loss of $92,881,000 (2021: $8,000) for the investment in Whitehouse Pte Ltd, 3CMP and 3Cnergy Property Management Pte Ltd with the amount of $2,431,000 (2021: $NIL), $90,450,000 (2021: $NIL) and $NIL (2021: $8,000) respectively were written off.

The above reversal of impairment loss amounting to $30,000 during the financial year from Orientis Solutions Sdn Bhd is due to the recoverable amount of the company being higher than the carrying amount of the investment in Orientis Solutions Sdn Bhd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Impairment testing of investments in subsidiaries (Continued)

Investments in subsidiaries are as follows:

Name	Principal activities	Country of incorporation	Effective interest 2022 %	2021 %
Held by the Company:				
Whitehouse Holdings Pte Ltd[(ii) (iv)]	Dormant	Singapore	–	100
3Cnergy Sdn Bhd[(iii)]	Management and research on real estate	Malaysia	**100**	100
Orientis Solutions Sdn Bhd[(iii)]	Providing architectural design, project financial feasibility assessment, engineering expertise and construction management services	Malaysia	**100**	100
3C Marina Park Sdn Bhd[(v)]	Property developer	Malaysia	–	100
3Cnergy Living Sdn Bhd[(iii) (iv)]	Dormant	Malaysia	–	100
3C Property Consultants Pte Ltd[(i)]	Property valuation	Singapore	**100**	100

(i) Audited by Mazars LLP, Singapore.

(ii) Not audited as the Company is dormant.

(iii) Audited by overseas member firms of Mazars LLP.

(iv) Deregistration of subsidiaries during the financial year. Following the deregistration of 3Cnergy Living Sdn Bhd and Whitehouse Holdings Pte Ltd on 29 June 2022 and 5 December 2022 respectively, the Group has deconsolidated the investment in 3Cnergy Living Sdn Bhd and Whitehouse Holdings Pte Ltd. The deconsolidation of 3Cnergy Living Sdn Bhd and Whitehouse Holdings Pte Ltd has no effect on the cash flows during the financial year.

(v) Disposed on 13 May 2022.

11(a). Additional investment in subsidiaries

(i) 3Cnergy Sdn Bhd

On 14 November 2022, the Company subscribed for 3,614,325 units of ordinary shares in 3Cnergy Sdn Bhd at RM1.00 each fully paid up in the capital of the subsidiary, by way of capitalisation of its advances made to the subsidiary, which amounting to $1,308,972 in total.

The newly issued ordinary shares shall rank pari passu in all respects with the existing ordinary shares in the capital of the subsidiary.

(ii) 3C Marina Park Sdn Bhd

On 26 February 2021 and 10 December 2021, the Company subscribed for 20,000,000 and 30,000,000 units of ordinary shares in 3C Marina Park Sdn Bhd respectively, at RM1.00 each fully paid up in the capital of the subsidiary, by way of capitalisation of its advances made to the subsidiary, which amounting to $16,269,000 in total.

The newly issued ordinary shares shall rank pari passu in all respects with the existing ordinary shares in the capital of the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

11(b). Disposal of subsidiaries

(i) 3C Marina Park Sdn Bhd

On 13 May 2022, the Company announced that they have completed the disposal of 3CMP for an aggregate consideration of $36,000,000. The consideration was satisfied by offsetting against a cash distribution amount due to the substantial shareholders of $31,700,000 and cash received of $4,300,000.

Carrying amounts of the assets and liabilities as at date of disposal are as follows:

	Carrying amount $'000
Assets:	
Property, plant and equipment	8
Land held for property development	76,779
Other receivables and deposits	81
Tax recoverable	4
Cash and cash equivalents	453
Pledged fixed deposits	46
	77,371
Liabilities:	
Accruals and other payables	5,099
Bank borrowings	44,942
	50,041
Net assets	27,330

	Group 2022 $'000
Gain on disposal:	
Cash consideration	**4,322**
Set-off against the aggregate cash distribution amount due to the substantial shareholders	**31,678**
Net assets derecognised	**(27,330)**
Foreign exchange translation adjustment	**(1,147)**
Gain on disposal	**7,523**

The gain on disposal of the subsidiary is recorded as part of loss for the year from discontinued operation in the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

11(b). Disposal of subsidiaries (Continued)

(i) 3C Marina Park Sdn Bhd (Continued)

	Group 2022 $'000
Net cash flow arising on disposal:	
Consideration received	**36,000**
Set-off against the aggregate cash distribution amount due to the substantial shareholders	**(31,678)**
Cash and cash equivalents disposed off	**(453)**
	3,869

(ii) 3Cnergy Ventures R Sdn Bhd

On 8 February 2021, the Company disposed of its entire interest in 3Cnergy Ventures R Sdn Bhd ("3CVR") to a third party for an aggregate cash consideration of RM1.00. There is no gain nor loss arising on the disposal.

12. LAND HELD FOR PROPERTY DEVELOPMENT

	Group 2022 $'000	Group 2021 $'000
At cost:		
At 1 January	–	157,999
Exchange difference	–	(1,482)
At 31 December	–	156,517
Less: Allowance for impairment	–	(77,113)
Less: Reclassification to assets of disposal group classified as held-for-sale (Note 17)	–	(79,404)
	–	–
Movements in allowance for impairment:		
At 1 January	–	(71,726)
Allowance charged to profit or loss	–	(5,387)
Less: Reclassification to assets of disposal group classified as held-for-sale	–	77,113
At 31 December	–	–

In the prior financial year, the Group carried out a review of the recoverable amount of its land held for property development ("Freehold land") located at Puteri Harbour, Johor, Malaysia with size of 172,400 square metres. The review led to the recognition of an impairment loss of $5,387,000 that had been recognised in profit or loss during the financial year ended 31 December 2021. The recoverable amount of the relevant assets has been determined based on their fair value less costs of disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. LAND HELD FOR PROPERTY DEVELOPMENT (CONTINUED)

Freehold land was revalued as at 31 December 2021 by Knight Frank Malaysia Sdn Bhd, an independent professional valuation firm. The valuation was determined by adopting the market comparable method which considers recent transaction prices for similar properties. The valuation conforms to International Valuation Standards.

The Group categorises the non-recurring fair value measurement of freehold land within Level 3 of the fair value hierarchy based on the inputs to the valuation technique used. As at 31 December 2021, the significant unobservable input was the price per square metre with the range of RM1,354 to RM1,738.

In the prior financial year, land held for property development of the Group amounting to $79,404,000 has been pledged to a bank to secure credit facilities granted to the Group as disclosed in Note 22.

13. TRADE RECEIVABLES

	Group	
	2022 $'000	2021 $'000
Trade receivables	9	11

Included in trade receivables are balances totalling $7,000 (2021: $NIL) which is due from a company related to the substantial shareholder.

The average credit period on trade receivables is 14 to 60 days. Trade receivables are non-interest bearing and are generally due upon billing. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Loss allowance for trade receivables are measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of the conditions at the reporting date. The Group has determined that the trade receivables are subject to insignificant credit loss.

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

The Group's and the Company's trade receivables are denominated in the following currencies at the reporting date:

	Group	
	2022 $'000	2021 $'000
Malaysia ringgit	7	–
Singapore dollar	2	11
	9	11

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. TRADE RECEIVABLES (CONTINUED)

Receivables that are past due but not impaired

In prior financial year, the Group has trade receivables amounting to $9,000 that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
Past due:		
– More than 180 days	**–**	9

14. OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
– Other receivables	**–**	26	**–**	–
– Deposits	**8**	8	**(*)**	1
	8	34	**(*)**	1

The deposits are refundable upon expiry of lease agreements.

Loss allowance for other receivables are measured at an amount equal to 12 months ECL. For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. The Group has determined that the other receivables are subject to immaterial credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group's and the Company's other receivables and deposits are denominated in the following currencies at the reporting date:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Malaysia ringgit	**(*)**	26	**–**	–
Singapore dollar	**8**	8	**(*)**	1
	8	34	**(*)**	1

(*) Less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2022	**2021**
	$'000	**$'000**
Amounts due from subsidiaries	**12**	21,976
Less: Allowance for doubtful debts	**–**	(1,298)
Carrying amount	**12**	20,678
Movement in allowance accounts:		
– At January 1	**1,298**	1,345
– Charge for the year	**–**	69
– Written off	**(1,298)**	(116)
At December 31	**–**	1,298

The Company's amount due from subsidiaries are denominated in the following currencies at the reporting date:

	Company	
	2022	**2021**
	$'000	**$'000**
Malaysia ringgit	**4**	20,678
Singapore dollar	**8**	–
	12	20,678

The amounts due from subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand in cash.

For the purpose of impairment assessment, other than the credit-impaired amount due from a subsidiary, the amounts due from subsidiaries are considered to have low credit risk as the timing of payment is controlled by the ultimate holding company taking into account cash flow management within the ultimate holding company's group of companies and there has been no significant increase in the risk of default on the amounts due from subsidiaries since initial recognition. Accordingly, for the purpose of impairment assessment for the amounts due from subsidiaries, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default of the amounts due from subsidiaries as well as the loss upon default. Management determines the amounts due from subsidiaries are subject to immaterial credit loss.

Allowance for ECL

In prior financial year, the Company provided an additional allowance of $69,000 for amount due from a subsidiary as the subsidiary has been suffering financial losses for the current and past financial years.

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16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Fixed deposits	**–**	48	**–**	–
Cash at banks	**379**	1,312	**214**	443
	379	1,360	**214**	443
Less: Reclassification of cash at banks to disposal group assets classified as held-for-sale	**–**	(667)	**–**	–
Cash and cash equivalents	**379**	693	**214**	443

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.78% (2021: 0.78%) per annum.

Cash and cash balances are denominated in the following currencies at the reporting date:

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Malaysia ringgit	**48**	139	**–**	–
Singapore dollar	**331**	554	**214**	443
	379	693	**214**	443

17. DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE

In the prior financial year, the management is committed to a plan to dispose its wholly owned subsidiary, 3C Marina Park Sdn Bhd ("3CMP") to Puteri Harbour Pte Ltd, a related party. As at 31 December 2021, the management has assessed that the disposal of 3CMP as highly probable in accordance to SFRS(I) 5 and accordingly classified 3CMP as a disposal group held-for-sale.

On 23 February 2022, the Company entered into a conditional sale and purchase agreement with Puteri Harbour Pte Ltd, a related party, to dispose of its entire interests in 3CMP for an aggregate consideration of $36,000,000. The transaction is expected to be completed by May 2022.

On 23 February 2022, the Company announced the proposed disposal of 3CMP and the proposed capital reduction and cash distribution ("proposed transactions"). The proposed transaction is a major transaction and an Interested Person Transaction. An extraordinary general meeting was held on 22 March 2022 and the transaction was approved by shareholders.

As at 31 December 2021, the assets and liabilities relating to 3CMP are classified as a disposal group held-for-sale and are presented in the statement of financial position as "Assets of disposal group classified as held-for-sale" and "Liabilities of disposal group classified as held-for-sale". 3CMP's results are presented separately in the statement of profit or loss and other comprehensive income as "Loss from discontinued operation, net of tax". 3CMP constitutes the Group's property development segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

17. DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE (CONTINUED)

The major classes of assets and liabilities of 3CMP as at 31 December are as follows:

	2022 $'000	2021 $'000
Assets:		
Property, plant and equipment (Note 9)	–	9
Land held for property development (Note 12)	–	79,404
Other receivables and deposits (Note 14)	–	84
Tax recoverable	–	4
Cash and cash equivalents (Note 16)	–	619
Pledged fixed deposits (Note 16)	–	48
Assets of disposal group classified as held-for-sale	–	80,168

The major classes of assets and liabilities of 3CMP as at 31 December are as follows (continued):

	2022 $'000	2021 $'000
Liabilities:		
Trade payables (Note 18)	–	6
Accruals and other payables (Note 19)	–	4,217
Bank borrowings (Note 22)	–	46,479
Liabilities of disposal group classified as held-for-sale	–	50,702
Net assets of disposal group classified as held-for-sale	–	29,466

All the financial assets and liabilities held by 3CMP are denominated in Malaysian Ringgit.

On 13 May 2022, the Company disposed off its entire interest in 3C Marina Park Sdn Bhd ("3CMP") to a shareholder, Puteri Harbour Pte Ltd for sale consideration of $36,000,000. The consideration was satisfied by set-off against the aggregate cash distribution amount due to the substantial shareholders of $31,700,000 and a cash consideration received of $4,300,000.

On 13 May 2022, the Group announced that they have completed the disposal of 3CMP and received the consideration of $4,300,000.

3CMP results are presented separately in the consolidated statement of profit or loss and other comprehensive income as "Profit/(Loss) from discontinued operation, net of tax". 3CMP constitutes the Group's property development segment.

The major classes of assets and liabilities of 3CMP as at 13 May 2022 are disclosed in Note 11(b)(i).

NOTES TO THE FINANCIAL STATEMENTS

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17. DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE (CONTINUED)

The results of 3CMP for the financial periods ended 13 May 2022 (date of disposal) and 31 December 2021 are as follows:

	13 May 2022 $'000	31 December 2021 $'000
Other operating income (Note 5)	**7,525**	17
General and administrative expenses (Note 7)	**(452)**	(6,532)
Finance costs (Note 6)	**(648)**	(1,799)
Profit/(Loss) before tax from discontinued operation	**6,425**	(8,314)
Income tax expense (Note 8)	**–**	–
Profit/(Loss) from discontinued operation, net of tax	**6,425**	(8,314)

Cash flow statement disclosures

	13 May 2022 $'000	31 December 2021 $'000
Operating	**(1,016)**	(2,428)
Financing	**870**	2,000
Net cash outflows	**(146)**	(428)

Loss per share disclosures (Note 25)

	13 May 2022 $	31 December 2021 $
Earnings/(Loss) per share from discontinued operation attributable to owners of the Company (cents):		
Basic and diluted	**0.21**	(0.27)

The basic and diluted loss per share from discontinued operation are calculated by dividing the loss from discontinued operation, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively.

18. TRADE PAYABLES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Trade payables	**–**	5	**–**	5

The Group's and the Company's trade payables are denominated in Singapore dollar.

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19. ACCRUALS AND OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Other payables	**9**	18	**2**	4
Accrued expenses	**86**	98	**76**	86
Deposits collected	**–**	7	**–**	–
	95	123	**78**	90

The loan from related party is non-trade in nature, unsecured, non-interest bearing and is repayable on demand.

The Group's and the Company's accruals and other payables are denominated in the following currencies at the reporting date:

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Malaysia ringgit	**12**	27	**2**	21
Singapore dollar	**83**	96	**76**	69
	95	123	**78**	90

20. CONTRACT LIABILITIES

	Group	
	2022	2021
	$'000	$'000
Gross amount due to customers for project management contracts	**–**	535

Contract liability relating to gross amount due to customer for project management contracts. These arise when a particular milestones payment exceeds the revenue recognised to date under the cost-to-cost method.

The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities.

The Group's contract liabilities are denominated in Malaysia ringgit.

The Group's revenue recognised that was included in the contract liabilities balance at the beginning of the period:

	Group	
	2022	2021
	$'000	$'000
Gross amount due to customers for project management contracts	**518**	95

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. THE GROUP AS A LESSEE

The Group leases an office equipment for five years. The lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The Group's obligations under such lease is secured by the lessor's title to the leased asset, which will revert to the lessor in the event of default by the Group.

21(a) Right-of-use asset

The carrying amount of right-of-use asset by class of underlying asset classified within property, plant and equipment as follows:

	Office equipment $'000
Group and Company	
At 1 January 2021	5
Depreciation	(2)
At 31 December 2021	3
Depreciation	(1)
At 31 December 2022	**2**

The total cash outflow for leases during the financial year is $2,000 (2021: $1,000).

21(b) Lease liability

	Group and Company	
	2022 $'000	2021 $'000
Lease liability – non-current	**1**	2
Lease liability – current	**1**	2
	2	4

The maturity analysis of lease liability is disclosed in Note 28.

21(c) Amounts recognised in profit or loss

	Group and Company	
	2022 $'000	2021 $'000
Interest expense on lease liability	**(*)**	(*)
Expense relating to short-term lease	**2**	2

(*) Less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

22. BANK BORROWINGS

	Group	
	2022	2021
	$'000	$'000
Term loan	–	28,676
Revolving credit	–	17,803
Less: Reclassification to disposal group liabilities classified as held-for-sale (Note 17)	–	(46,479)
	–	–

The Group's bank borrowings are denominated in Malaysia Ringgit.

(a) Term loan:

As of 31 December 2021, the Group had a term loan facility from a licensed bank of $28,676,000. Interest rate for the term loan 3.84% per annum. The term loan was secured by way of the following:

(i) the facility agreements;

(ii) a charge over the Freehold land as disclosed in Notes 12 and 17; and

(iii) a general debenture creating a fixed and floating charge over the assets of the Group.

(b) Revolving credit:

As of 31 December 2021, the Group had a revolving credit facility from a licensed bank of $17,803,000. Interest rate for the revolving credit was ranging from 3.84% to 3.94% per annum. The revolving credit is secured by way of the following:

(i) existing facility agreements;

(ii) a charge over the Freehold land as disclosed in Notes 12 and 17;

(iii) a second general debenture creating a fixed and floating charge over the assets of the Group; and

(iv) fixed deposits as disclosed in Note 16.

The carrying amount of the bank borrowings approximates their fair values.

During the financial year, all the term loan facilities and revolving credit under the group had been disposed along with the completion of 3CMP's disposal.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

23. DEFERRED TAX LIABILITIES

Deferred tax as at 31 December relates to the following:

	Group	
	2022 $'000	2021 $'000
Differences in depreciation for tax purposes	**1**	1

No deferred tax liability has been recognised in respect of undistributed earnings of subsidiaries which would be subject to withholding tax if transferred out of the country. The Group is in a position to control the timing of the transfer of these retained earnings and do not expect the retained earnings to be remitted such as to attract withholding tax in the foreseeable future.

The following deductible temporary difference has not been recognised:

	Group	
	2022 $'000	2021 $'000
Tax losses	**1,732**	1,596

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. 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.

24. SHARE CAPITAL

	Group			
	2022		2021	
	Number of ordinary shares	$'000	Number of ordinary shares	$'000
Issued and paid up:				
At 1 January/At 31 December	**3,067,053,978**	**3,264**	3,067,053,978	143,292

	Company			
	2022		2021	
	Number of ordinary shares	$'000	Number of ordinary shares	$'000
Issued and paid up:				
At 1 January/At 31 December	**3,067,053,978**	**3,264**	3,067,053,978	177,822

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

NOTES TO THE FINANCIAL STATEMENTS

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24. SHARE CAPITAL (CONTINUED)

Capital Reduction

On 13 May 2022, the Company has completed a capital reduction by a cash distribution to the shareholders and a write-off of the accumulated losses of the Company.

The total amount of the Company's capital reduction was $174,558,000 which including of cash distribution to the shareholders, deemed paid by the set-off against the cash distribution amount due to the relevant shareholders and a write-off of the accumulated losses of the Company based on the latest audited financial statements of the Company for the financial year ended 31 December 2020 amounting $4,022,000, $31,678,000 and $138,858,000 respectively.

The issued and paid-up capital of the Company per the Company's accounts is reduced to $3,264,000 comprising 3,067,053,978 ordinary shares.

25. LOSS PER SHARE

Basic loss per ordinary share is computed by dividing the loss attributable to the equity holders from continuing operations of the Group in each financial year by the weighted average number of ordinary shares in issue during the respective financial year.

There were no dilutive ordinary shares in existence during the current financial year reported on and the previous corresponding year. Accordingly, the basic and fully diluted loss per share for the respective financial year were the same.

The following tables reflect the loss and share data used in the computation of basic and diluted loss per tax for the years ended 31 December:

	Group	
	2022	**2021**
	$'000	**$'000**
(Loss)/Profit for the year attributable to owners of the Company used in the computation of basic and diluted loss per share		
– Continuing operations	**(166)**	(333)
– Discontinued operation	**6,425**	(8,314)

	No of shares	
	2022	**2021**
	$'000	**$'000**
Weighted average number of ordinary shares for basic and diluted loss per share computation	**3,067,054**	3,067,054

The basic and diluted loss per share are calculated by dividing the loss for the year attributable to owners of the Company by the weighted average number of ordinary shares for basic loss per share computation and weighted average number of ordinary shares for diluted loss per share computation respectively.

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26. CONTINGENT LIABILITIES, UNSECURED

As at 31 December 2021, the Company had given guarantees amounting to $82,544,000 to a bank in respect of banking facility granted to a subsidiary.

The Company has not recognised any liability in respect of the guarantees given to the bank for banking facility granted to the subsidiary as the Company's directors have assessed that the likelihood of the Company defaulting on repayment of its loan is remote.

As at the end of the previous financial year, the total amount of loans outstanding covered by the guarantees was $46,479,000. Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective bank if the respective subsidiary to which the guarantees were extended fail to make principal or interest repayments when due in accordance with the terms of the borrowings. There has been no default or non-repayment since the utilisation of the banking facility.

As at the end of the previous financial year, the Company had also given undertakings to certain subsidiaries to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the financial year end.

During the financial year, the financial guarantees given to the bank for banking facility granted to the subsidiary had been discharged.

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

A related party is defined as follows:

a) 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.

b) 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.

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27. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

b) An entity is related to the Group and the Company if any of the following conditions applies: (Continued)

(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.

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

Significant transactions with related parties during the financial year, other than those disclosed elsewhere in the financial statements, include the following:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Income				
Project Management Consultancy fee from a company in which a substantial shareholder of the Company has substantial interest	**38**	–	**–**	–
Management services income from a company in which a substantial shareholder of the Company has substantial interest*	**63**	95	**–**	–
Management fees charged to subsidiary	**–**	–	**8**	13
Expense				
Rental cost paid to a company in which a substantial shareholder of the Company has substantial interest	**1**	1	**–**	–
Others				
Loan from related party – Puteri Harbour Pte Ltd	**–**	4,200	**–**	–

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27. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with companies related to controlling shareholder

A subsidiary, Orientis Solutions Sdn Bhd ("Orientis") has management services contract with 3C Marina Park Sdn Bhd, in which a non-executive director has substantial interest.

* The total progress billing to Publiq Development Group Sdn Bhd for the year ended 31 December 2022 is $Nil (2021: $195,000).

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

	Group	
	2022	**2021**
	$'000	**$'000**
Short-term employee benefits	**185**	192
Employer's contribution to defined contribution plans	**25**	27
	210	219
Comprises amounts paid to:		
– Other key management personnel	**210**	219

The remuneration of directors and other key management is determined by the Compensation and Remuneration Committee having regards to the performance of individuals and market trends

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

The Group and the Company are exposed to financial risks arising from operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The Board of Directors reviews and approves policies and procedures for the management of these risks which are also executed by the active directors. It is and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

NOTES TO THE FINANCIAL STATEMENTS

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28. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

(a) *Categories of financial instruments*

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

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Financial assets at amortised cost:				
– Trade and other receivables	**17**	45	**–**	1
– Amounts due from subsidiaries	**–**	–	**12**	20,678
– Cash and cash equivalents	**379**	693	**214**	443
	396	738	**226**	21,122
Financial liabilities at amortised cost:				
– Trade and other payables	**95**	128	**78**	95
– Lease liability	**2**	4	**2**	4
	97	132	**80**	99

(b) *Credit risk management*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group and Company has adopted a policy of only dealing with high credit rating counterparties. The Group manages these risks by monitoring credit-worthiness and limiting the aggregate risk to any individual counterparty. Therefore, the Group does not expect to incur material credit losses on its financial assets.

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying value of each class of financial assets recognised in the statements of financial position.

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

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

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

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28. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

(b) ***Credit risk management*** (Continued)

The table below details the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk rating grades:

Group	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
2022						
Trade receivables	**13**	**Note**	**Lifetime ECL**	**9**	**–**	**9**
Other receivables	**14**	**Performing**	**12-month ECL**	**8**	**–**	**8**
2021						
Trade receivables	13	Note	Lifetime ECL	11	–	11
Other receivables	14	Performing	12-month ECL	34	–	34
Company						
2022						
Amounts due from subsidiaries	**15**	**Performing**	**12-month ECL**	**12**	**–**	**12**
2021						
Other receivables	14	Performing	12-month ECL	1	–	1
Amounts due from subsidiaries	15	Performing	12-month ECL	20,678	–	20,678
Amounts due from a subsidiary	15	In default	Lifetime ECL	1,298	(1,298)	–
					(1,298)	

Note: For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by estimating based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2022		2021	
	$'000	% of total	$'000	% of total
By country				
Singapore	**2**	**22%**	11	100%
Malaysia	**7**	**78%**	–	–
	9	**100%**	11	100%

At the end of the reporting period, approximately 100% (2021: 100%) of the Group's trade receivables were due from 2 (2021: 2) major customers who are located in Singapore and Malaysia (2021: Singapore).

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28. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

(c) Market risks

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group did not enter into any of derivative financial instruments to manage its exposure to foreign currency risks interest rate risk.

Foreign currency risk

The Group transacts business in various foreign currencies other than its functional currency of the Group, and hence is exposed to foreign currency risks.

The carrying amounts of the Group's foreign currency denominated monetary assets as at the end of the financial year are as follows:

	Group	
	MYR 2022 S$'000	**MYR 2021 S$'000**
Monetary assets:		
Trade receivables	**7**	–
Other receivables and deposits	**(*)**	26
Cash and cash equivalents	**48**	139
	55	165
Monetary liability:		
Other payables and accruals	**12**	27

(*) Less than $1,000

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to 3% (2021: 3%) change in foreign currencies against the Singapore dollar. The sensitivity analysis assumes an instantaneous 3% change in the foreign currency exchange rates from the end of the financial year, with all variables held constant. The results of the model are also constrained by the fact that only monetary items which are denominated in the foreign currencies are included in the analysis.

The Group has investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The Group does not currently designates its foreign currency denominated debts as a hedging instruments for the purpose of hedging the exposure of its foreign operations.

If the relevant foreign currency strengthens by 3% (2021: 3%) against the functional currency of each Group entity, profit or loss will increase or (decrease) by:

	Group	
	2022 $'000	**2021 $'000**
Malaysia Ringgit	**1**	4

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28. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

(c) *Market risks* (Continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's interest rate risk relates to fixed deposits and interest-bearing liabilities.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short-term borrowings.

The Group's interest rate risk arise primarily from the floating rate borrowings with financial institutions.

At the reporting date, the interest rate profile of the Group's and Company's significant interest-bearing financial instruments, based on carrying amounts are as below:

	Group	
	2022	**2021**
	$'000	**$'000**
Fixed rate instruments		
Financial asset		
Fixed deposit	–	48
Financial liability		
Lease liability	**(2)**	(4)
Net financial assets/(liabilities)	**(2)**	44
Floating rate instrument		
Financial liability		
Bank borrowings	–	46,479

The Group does not expose to any interest rate risk as the Group did not hold any floating rate interest bearing financial instrument at the end of the financial year.

(d) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of collections and payments timing. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets to pay for liabilities that are due in the next six months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

(d) *Liquidity risk* (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments obligations.

	2022					2021				
	Carrying amount $'000	Weighted average effective interest rate %	One year or less $'000	Two to five years $'000	Contractual cash flow $'000	Carrying amount $'000	Weighted average effective interest rate %	One year or less $'000	Two to five years $'000	Contractual cash flow $'000
Group										
Undiscounted financial assets										
Trade receivables	**9**	**–**	**9**	**–**	**9**	11	–	11	–	11
Other receivables	**8**	**–**	**8**	**–**	**8**	34	–	34	–	34
Cash and cash equivalents	**379**	**0.78**	**379**	**–**	**379**	1,360	0.78	1,360	–	1,360
Total undiscounted financial assets	**396**		**396**	**–**	**396**	1,405		1,405	–	1,405
Undiscounted financial liabilities										
Trade and other payables	**95**	**–**	**95**	**–**	**95**	128	–	128	–	128
Lease liability	**2**	**3.70**	**1**	**1**	**2**	4	3.70	2	2	4
Bank borrowings	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Total undiscounted financial liabilities	**97**		**96**	**1**	**97**	132		130	2	132
Total net undiscounted financial assets/(liabilities)	**299**		**300**	**(1)**	**299**	1,273		1,275	(2)	1,273

NOTES TO THE FINANCIAL STATEMENTS

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

(d) Liquidity risk (Continued)

	2022					2021				
	Carrying amount $'000	Weighted average effective interest rate %	One year or less $'000	Two to five years $'000	Contractual cash flow $'000	Carrying amount $'000	Weighted average effective interest rate %	One year or less $'000	Two to five years $'000	Contractual cash flow $'000
Company										
Undiscounted financial assets										
Other receivables	–	–	–	–	–	1	–	1	–	1
Amounts due from subsidiaries	12	–	12	–	12	20,678	–	20,678	–	20,678
Cash and cash equivalents	214	0.78	214	–	214	443	0.78	443	–	443
Total undiscounted financial assets	226		226	–	226	21,122		21,122	–	21,122
Undiscounted financial liabilities										
Trade and other payables	78	–	78	–	78	95	–	95	–	95
Lease liability	2	3.70	1	1	2	4	3.70	2	2	4
Maximum amount of financial guarantee	–	–	–	–	–	46,479	–	46,479	–	46,479
Total undiscounted financial liabilities	80		79	1	80	46,578		46,576	2	46,578
Total net undiscounted financial assets/(liabilities)	146		147	(1)	146	(25,456)		(25,454)	(2)	(24,456)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

(e) Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure consisting of equity attributable to owners of the Company, comprising share capital net of accumulated losses and makes adjustments to it in accordance to its capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 31 December 2021. The Group monitors the level of debt and equity, which is the equity attributable to the owners of the Company.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital based on a gearing ratio and the gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables and lease liability less cash and cash equivalents.

29. FAIR VALUE OF ASSETS AND LIABILITIES

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

(a) Level 1 – the fair values of assets and liabilities with standard terms and conditions and which trade in active markets that the Group can access at the measurement date are determined with reference to quoted market prices (unadjusted).

(b) Level 2 – in the absence of quoted market prices, the fair values of the assets and liabilities are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets or included within Level 1, quoted prices for identical or similar assets/liabilities in non-active markets.

(c) Level 3 – in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

29. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

Valuation policies and procedures

The Group's Chief Financial Officer ("CFO") oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

It is the Group's policy that where assessed necessary by the local management, the Group would engage experts to perform significant financial reporting valuations. The CFO is responsible for selecting and engaging such external experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 fair value measurement guidance.

He also reviews at least on an annual basis, the appropriateness of the valuation methodologies and assumptions adopted and evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

The analysis and results of the external valuations are then presented to the Board of Directors for approval.

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

30. FINANCIAL INSTRUMENTS WHOSE CARRYING AMOUNT APPROXIMATES FAIR VALUE

The carrying amounts of cash and bank balances, trade and other receivables (excluding prepayments), bank borrowings, trade and other payables and amounts due from subsidiaries approximate their respective fair values due to the relative short-term maturity of these financial instruments. Fair value information is not disclosed as there is a lack of market information of comparable instruments with similar characteristics and risk profile.

31. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors. The Board of Directors is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by management.

Management considers that the entire Group's operations constitute a single segment which is real estate property and development consultancy and two geographical segments which are Singapore and Malaysia.

Real estate and property development consultancy segment comprised real estate development and related consultancy including architectural design, project financial feasibility assessment, engineering expertise and construction management services.

Management monitors the operating results of its business units for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which is measured similarly to operating profit or loss in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

31. SEGMENT INFORMATION (CONTINUED)

Geographical segments

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Singapore	**35**	52	**2**	4
Malaysia	**556**	95	**–**	1
	591	147	**2**	5

Non-current assets information presented above consist of property, plant and equipment, goodwill, intangible assets and land held for property development as presented in the statement of financial position.

Information about major customers

Revenue from the major customers which accounts for 10% or more of the Group's revenue are as follows:

	Group and Company	
	2022	2021
	$'000	$'000
Customer 1	**518**	95
Customer 2	**–**	50

32. EVENTS SUBSEQUENT TO THE REPORTING DATE

On 3 April 2023, the Company announced that they have entered into a shareholder loan agreement with its holding company, Phileo Capital Limited pursuant to which the holding company has agreed to grant a non-interest-bearing loan of a principal sum of $250,000, the full loan amount has been received on 4 April 2023.

STATISTICS OF SHAREHOLDINGS

As at 20 March 2023

Class of shares	:	Ordinary Shares
Voting rights	:	One vote per ordinary share
Number of issued shares	:	3,067,053,978
Number of treasury shares	:	NIL
Number of subsidiary holdings	:	NIL

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 20 MARCH 2023

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	7	0.79	337	0.00
100 – 1,000	270	30.30	149,500	0.00
1,001 – 10,000	126	14.14	548,150	0.02
10,001 – 1,000,000	393	44.11	119,349,368	3.89
1,000,001 AND ABOVE	95	10.66	2,947,006,623	96.09
	891	**100.00**	**3,067,053,978**	**100.00**

TWENTY TWO LARGEST SHAREHOLDERS AS AT 20 MARCH 2023

	SHAREHOLDER'S NAME	NO. OF SHARES	%
1	UOB KAY HIAN PTE LTD	1,506,090,289	49.11
2	CHAMPION BRAVE SDN BHD	636,815,920	20.76
3	CITIBANK NOMINEES SINGAPORE PTE LTD	201,129,073	6.56
4	OCBC SECURITIES PRIVATE LTD	123,612,985	4.03
5	DBS NOMINEES PTE LTD	53,098,800	1.73
6	RAFFLES NOMINEES (PTE) LIMITED	45,479,832	1.48
7	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	38,495,374	1.26
8	IFAST FINANCIAL PTE LTD	27,692,000	0.90
9	TAN LYE SENG	20,557,300	0.67
10	OCBC NOMINEES SINGAPORE PTE LTD	18,367,600	0.60
11	PHILLIP SECURITIES PTE LTD	17,605,198	0.57
12	TOH LEE HEOK	14,203,700	0.46
13	TAN AI NEO GRACIE	13,333,332	0.43
14	TAN KIM SEAH	11,076,400	0.36
15	LIAM WEI JUN (NIAN WEIJUN)	9,000,000	0.29
16	LIM AND TAN SECURITIES PTE LTD	7,200,000	0.23
17	UNITED OVERSEAS BANK NOMINEES PTE LTD	6,628,500	0.22
18	HO BENG SIANG	6,521,700	0.21
19	TIGER BROKERS (SINGAPORE) PTE. LTD.	5,673,600	0.18
20	CHUA LAY HONG	5,000,000	0.16
21	KOH KIN TONG	5,000,000	0.16
22	SEE LIM BOON	5,000,000	0.16
	TOTAL:	**2,777,581,603**	**90.53**

STATISTICS OF SHAREHOLDINGS

As at 20 March 2023

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on information available to the Company as at 20 March 2023, approximately **19.69%** of the issued ordinary shares of the Company were held in the hands of the public. Accordingly, Rule 723 of the Catalist Rules is complied with.

SUBSTANTIAL SHAREHOLDERS AS AT 20 MARCH 2023

(As recorded in the Register of Substantial Shareholders)

		Direct Interest		Deemed Interest	
No.	**Name**	**No. of shares**	**%**	**No. of shares**	**%**
1	Phileo Capital Limited	1,187,672,240[1]	38.72	–	–
2	TMF Trustees Singapore Limited[2]	–	–	1,187,672,240	38.72
3	Mr Tong Kooi Ong[3]	–	–	1,187,672,240	38.72
4	Halfmoon Bay Capital Limited	199,004,973[4]	6.49	–	–
5	Tan Sri Wan Azmi bin Wan Hamzah[5]	–	–	318,407,958	10.38
6	Champion Brave Sdn. Bhd.	636,815,920	20.76	–	–
7	Tan Sri Lee Oi Hian[6]	–	–	636,815,920	20.76
8	Casi Management Sdn Bhd[7]	318,407,958	10.38	–	–
9	Tan Sri Dato' Surin Upatkoon[8]	–	–	318,407,958	10.38

Notes:

(1) The entire shares are held in the name of UOB Kay Hian Pte Ltd.

(2) By virtue of Section 4 of the Securities and Futures Act (Chapter 289) of Singapore ("SFA"), TMF Trustees Singapore Limited ("TMF Trustees") is deemed interested in the shares held by Phileo Capital Limited ("Phileo Capital") which is 100% held by TMF Trustees.

(3) By virtue of Section 4 of the SFA, Mr Tong Kooi Ong ("Mr Tong") is deemed interested in the shares held by Phileo Capital as Mr Tong is the sole ultimate beneficial owner of Phileo Capital through TMF Trustees, the trustee of a family trust of which Mr Tong is the sole beneficiary.

(4) The entire shares are held in the name of Citibank Nominees Singapore Pte Ltd.

(5) By virtue of Section 4 of the SFA, Tan Sri Wan Azmi bin Wan Hamzah is deemed interested in the shares held by Golden Ring Worldwide Ltd ("Golden Ring") and Halfmoon Bay Capital Limited ("Halfmoon Bay") as he holds 100% and 28.57% of shares in Golden Ring and Halfmoon Bay, respectively.

(6) By virtue of Section 4 of the SFA, Tan Sri Lee Oi Hian is deemed interested in the shares held by Champion Brave Sdn. Bhd. ("Champion Brave") as he is a 99.99% majority shareholder of Champion Brave.

(7) The entire shares are held in the name of UOB Kay Hian Pte Ltd for Metra Nominees Sdn Bhd, appointed nominee for Casi Management Sdn Bhd ("Casi").

(8) By virtue of Section 4 of the SFA, Tan Sri Dato' Surin Upatkoon is deemed interested in the shares held by Casi as he is a 92.72% majority shareholder of Casi.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of 3Cnergy Limited (the "**Company")** will be held by way of electronic means on **Thursday, 27 April 2023** at **10.30 a.m.** (the "**AGM**") for the following purposes:

Ordinary Business

1. To receive and adopt the directors' statement and audited financial statements of the Company for the financial year ended 31 December 2022 together with the auditors' report thereon.

(Resolution 1)

2. To approve the payment of directors' fees of S$82,671/- for the financial year ending 31 December 2023 [2022: S$79,036], to be paid half yearly in arrears.

(Resolution 2)

3. To re-elect Ms Lai Ven Li who is retiring pursuant to article 103 of the Company's constitution.

(Resolution 3)
[see Explanatory Note (i)]

4. To re-elect Mr Ong Pai Koo @ Sylvester who is retiring pursuant to article 99 of the Company's constitution.

(Resolution 4)
[see Explanatory Note (ii)]

5. To re-appoint Messrs Mazars LLP as the Company's auditors and to authorise the directors of the Company to fix their remuneration.

(Resolution 5)

6. To transact any other ordinary business which may properly be transacted at an annual general meeting.

Special Business

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

7. **Authority to allot and issue shares**

That pursuant to section 161 of the Companies Act 1967 of Singapore (the "**Act**") and rule 806 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Rules of Catalist**"), the directors of the Company be authorised and empowered to:

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

(II) notwithstanding that the authority conferred by this resolution may have ceased to be in force, issue Shares in pursuance of any Instruments made or granted by the directors of the Company while this resolution was in force, provided that:

(a) the aggregate number of Shares to be allotted and issued (including Shares to be issued in pursuance of Instruments made or granted) pursuant to this resolution, shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be allotted and issued (including Shares to be issued in pursuance of Instruments made or granted) other than on a pro rata basis to the existing shareholders of the Company shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) that may be issued under sub-paragraph (a) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for:

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

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

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

Adjustments in accordance with sub-paragraph (b)(i) or (b)(ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution;

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

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

(Resolution 6)

[see Explanatory Note (iii)]

NOTICE OF ANNUAL GENERAL MEETING

8. **Approval for Renewal of Shareholders' Mandate for Interested Person Transactions**

That:

(I) approval be and is hereby given, for the purposes of Chapter 9 of the Rules of Catalist ("**Chapter 9**") for the Company, its subsidiaries and associated companies that are entities at risk (as defined in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Addendum with the class of interested persons described in the Addendum, provided that such transactions are made on normal commercial terms, will not be prejudicial to the interests of the Company and its minority shareholders, and are in accordance with the review procedures for such interested person transactions (the "**IPT Mandate**");

(II) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company;

(III) the audit committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the review procedures and/or to modify or implement such review procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by the SGX-ST from time to time; and

(IV) the board of directors of the Company and any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by the IPT Mandate and/or this resolution.

(Resolution 7)
[see Explanatory Note (iv)]

By Order of the Board

Ong Pai Koo @ Sylvester
Independent Non-Executive Chairman

Singapore, 12 April 2023

Explanatory Notes:

(i) Subject to her re-election, Ms Lai Ven Li will remain as the Lead Independent Director of the Company, the chairman of the audit committee, and a member of the nominating committee and remuneration committee. Detailed information on Ms Lai Ven Li can be found in the "**Board of Directors**", "**Directors' Statement**" and "**Report on Corporate Governance**" sections of the Company's Annual Report 2022. Ms Lai Ven Li is considered independent for the purpose of rule 704(7) of the Rules of Catalist.

(ii) Subject to his re-election, Mr Ong Pai Koo @ Sylvester will remain as the Independent Non-Executive Chairman of the Company, the chairman of nominating committee and remuneration committee, and a member of the audit committee. Detailed information on Mr Ong Pai Koo @ Sylvester can be found in the "**Board of Directors**", "**Directors' Statement**" and "**Report on Corporate Governance**" sections of the Company's Annual Report 2022. Mr Ong Pai Koo @ Sylvester is considered independent for the purpose of rule 704(7) of the Rules of Catalist.

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

(iv) Ordinary Resolution 7, if passed, renewal of the IPT Mandate, which was given by shareholders on 26 April 2022 allowing the Company, its subsidiaries and associated companies that are entities at risk to enter into transactions with interested persons as defined in Chapter 9. The audit committee confirms that the methods or procedures for determining the prices of interested party transactions ("**IPT**") have not changed since last shareholders' approval and such methods and procedures are sufficient to ensure that the IPT will be carried out in normal commercial terms and will not be prejudicial to the interest of the Company and/or its minority shareholders.

NOTICE OF ANNUAL GENERAL MEETING

Important Notes:

1. **Pre-Registration:**

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. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or communicating and voting real-time at the AGM are set out in this notice of AGM. This notice of AGM may be accessed at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL http://www.3cnergy.com.sg/.

Shareholders (including CPF and SRS Investors) will not be able to attend the AGM physically. Shareholders (including CPF and SRS Investors) who wish to participate at the AGM may watch the AGM proceedings through a live audio-visual webcast via their mobile phones, tablets or computers (the "**Live Webcast**") or live audio-only stream. To do so, shareholders (including CPF and SRS Investors) must pre-register their details including full name, NRIC/Passport/Company Registration No., contact number and email address on the Company's AGM pre-registration website at the URL https://registration.ryt-poll.com/home/index/agm-3cnergy by **10.30 a.m. on Tuesday, 25 April 2023** ("**Registration Deadline**") for the Company to verify their status as shareholders.

Verified shareholders (including CPF and SRS Investors) will receive an email by 10.30 a.m. on Wednesday, 26 April 2023 containing instructions to access the Live Webcast or live audio-only stream. Shareholders (including CPF and SRS Investors) must not forward the link or their log-in details to third persons who are not shareholders and who are not entitled to attend the AGM proceedings.

Shareholders (including CPF and SRS Investors) who do not receive an email by **10.30 a.m. on Wednesday, 26 April 2023** but have registered before the Registration Deadline should email to 3cnergy-agm@ryt-poll.com for assistance.

2. **Submission of Questions:**

Shareholders (including CPF and SRS Investors) or, where applicable, their appointed proxies attending the AGM will be able to ask questions "live" at the AGM, by typing in and submitting their questions through the "live" chat function via the Live Webcast and not the live audio-only stream.

Shareholders (including CPF and SRS Investors) who have any questions in relation to any agenda item of this notice, are also encouraged to send their questions to the Company in advance, by **10.30 am on Thursday, 20 April 2023**, via email to 3cnergy-agm@ryt-poll.com or post to 82 Ubi Avenue 4, #05-04 Edward Boustead Centre, Singapore 408832 ("**Questions Deadline**"). When submitting questions, shareholders should provide their details including full name, NRIC/Passport/Company Registration No, contact number and email address for verification purposes.

The Company will endeavour to upload the Company's responses to all substantial and relevant questions from shareholders on the SGXNet at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL http://www.3cnergy.com.sg/ 48 hours prior to the closing date and time for lodgement of the proxy forms, i.e., by **10.30 a.m. on Sunday, 23 April 2023**. The Company will address those substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, which have not already been addressed prior to the AGM, during the AGM proceedings itself.

3. **Submission of Proxy Form:**

A shareholder/proxy/(ies) will be able to vote through the Live Webcast (and not live audio-only stream).

(a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting in his/her stead. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in section 181(6) of the Companies Act 1967.

A proxy need not be a member of the Company.

The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. If the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of its attorney or a duly authorised officer.

The instrument appointing a proxy or proxies, duly executed, must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02 Singapore 068898; or emailed to: sg.is.proxy@sg.tricorglobal.com, not less than 48 hours before the time appointed for holding the AGM, i.e., by **10.30 a.m. on Tuesday, 25 April 2023**.

For CPF or SRS investors who wish to appoint the Chairman as their proxy, they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM, i.e., by **5.00 p.m. on Tuesday, 18 April 2023**.

The accompanying proxy form for the AGM is made available with this notice of AGM on the SGXNet at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL http://www.3cnergy.com.sg/ on the same day. A printed copy of this notice of AGM and the proxy form will not be despatched to shareholders.

A shareholder who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

4. **Annual Report and other documents:**

The annual report for the financial year ended 31 December 2022 dated 12 April 2023 has been published and may be accessed from the SGXNet at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL http://www.3cnergy.com.sg/. No printed copy will be sent to shareholders.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By (i) submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof; (ii) completing the pre-registration(s) in accordance with this notice of AGM, or (iii) submitting any question prior to the AGM in accordance with this notice of AGM, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

(a) the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof), the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), processing of the pre-registration for purposes of granting access to shareholders to the "live" webcast or "live" audio feed of the AGM and providing them with any technical assistance where necessary, 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, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");

(b) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(c) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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3CNERGY LIMITED
(Company Registration No.: 197300314D)
(Incorporated in the Republic of Singapore)
(the "Company")

ANNUAL GENERAL MEETING
PROXY FORM
(Please refer to notes overleaf before completing this Form)

IMPORTANT:

1. IMPORTANT: The annual general meeting of the Company ("AGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or communicating and voting real time at the pending AGM are set out in the notice of AGM dated 12 April 2023 which has been uploaded on the SGXNet and the Company's website on the same day.
2. Relevant intermediaries as defined in Section 181(6) of the Companies Act 1967 may appoint more than 2 proxies to attend, speak and vote at the AGM.
3. For CPF/SRS investors who have used their CPF monies to buy 3Cnergy Limited's shares, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks if they have any queries regarding appointment of their proxies.
4. By submitting an instrument appointing proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the notice of AGM dated 12 April 2023.

This form of proxy has been made available on the SGXNet and the Company's website, and may be accessed at the URLs https://www.sgx.com/securities/company-announcements and http://www.3cnergy.com.sg/ respectively. A printed copy of this proxy form will NOT be despatched to members.

*I/We ______________________________ (Name) *NRIC/Passport/Co. Registration No. ____________________

of____ (Address)
being a member/members* of the Company, hereby appoint:

Name	Email Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%
* and/or				

or failing *him/her/them, the Chairman of the AGM, as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM to be held by way of electronic means on **Thursday, 27 April 2023 at 10.30 a.m.** and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the ordinary resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the *proxy/proxies may vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matters arising at the AGM and/or at any adjournment thereof:

No.	Resolutions	For#	Against#	Abstain#
	ORDINARY BUSINESS			
1.	To receive and adopt the directors' statement and audited financial statements for the financial year ended 31 December 2022 together with the auditors' report thereon.			
2.	To approve the payment of directors' fees of S$82,671/- for the financial year ending 31 December 2023, to be paid half yearly in arrears.			
3.	To re-elect Ms Lai Ven Li as director.			
4.	To re-elect Mr Ong Pai Koo @ Sylvester as director.			
5.	To re-appoint Messrs Mazars LLP as the Company's auditors and to authorise the directors to fix their remuneration.			
	SPECIAL BUSINESS			
6.	To authorise directors to allot and issue shares.			
7.	To approve the renewal of shareholders' mandate for interested person transactions.			

** Delete accordingly*

 # Voting will be conducted by poll. Please indicate your votes "For" or "Against" a resolution with a [√] within the box provided. Otherwise, please indicate the number of shares to be voted "For" and/or "Against" for each resolution within the box provided. If you wish to abstain from voting a resolution, please indicate with a [√] in the "Abstained" box provided. Otherwise, please indicate the number of shares to be abstained from voting within the "Abstain" box provided.

Dated this ________ day of ____________________ 2021.

Total No. of Shares in	
CDP Register	
Register of Members	

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

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this instrument of proxy shall be deemed to relate to all the shares held by you.

2. A member/proxy will be able to communicate and vote through the live audio-visual webcast (and not live audio-only stream).

3. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

   (c) If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

   "Relevant intermediary" has the meaning as ascribed to it in Section 181(6) of the Companies Act 1967 of Singapore (the "Act").

4. A proxy need not be a member of the Company.

5. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy or proxies 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 lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. The instrument appointing a proxy or proxies must be deposited at the office of the Company's share registrar, **Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898**; or emailed to: sg.is.proxy@sg.tricorglobal.com, not less than 48 hours before the time appointed for holding the meeting.

9. 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 meeting, in accordance with Section 179 of the Act.

10. An investor who buys shares using CPF monies and/or SRS monies ("CPF and SRS Investors") (as may be applicable) may attend and cast his vote(s) at the meeting in person. CPF and SRS Investors who are unable to attend the meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the meeting.

Personal Data Privacy

By submitting a proxy form appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the notice of the annual general meeting dated 12 April 2023.

CORPORATE INFORMATION

DIRECTORS

Mr Ong Pai Koo @ Sylvester
Independent Non-Executive Chairman

Ms Lai Ven Li
Lead Independent Director

Ms Au Foong Yee
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Ms Lai Ven Li, Chairman
Mr Ong Pai Koo @ Sylvester
Ms Au Foong Yee

NOMINATING COMMITTEE

Mr Ong Pai Koo @ Sylvester, Chairman
Ms Lai Ven Li
Ms Au Foong Yee

REMUNERATION COMMITTEE

Mr Ong Pai Koo @ Sylvester, Chairman
Ms Lai Ven Li
Ms Au Foong Yee

COMPANY SECRETARY

Ms Cheok Hui Yee

REGISTERED OFFICE

82 Ubi Avenue 4
#05-04 Edward Boustead Centre
Singapore 408832
Tel: (65) 6970 8117

Web: www.3cnergy.com.sg

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Collyer Quay Centre
Singapore 049318

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
80 Robinson Road
#02-00
Singapore 068898

AUDITORS

Mazars LLP
135 Cecil Street
#10-01
Singapore 069536

AUDIT PARTNER-IN-CHARGE

Mr Wong Zi En
Partner-in-charge since financial year ended
31 December 2022

BANKERS

CIMB Bank Berhad
United Overseas Bank Limited
Public Bank Berhad

COMPANY REGISTRATION

No. 197300314D

3CNERGY LIMITED

82 Ubi Avenue 4
#05-04 Edward Boustead Centre
Singapore 408832
Tel (65) 6970 8117

www.3cnergy.com.sg