

## APPENDIX I

## ACCOUNTANTS’ REPORT OF THE TARGET GROUP

*The following is the text of a report, set out on pages I-1 to I-74, received from the Company’s reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.*



### ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION OF SYNAGISTICS PTE LTD. TO THE DIRECTORS OF HK ACQUISITION CORPORATION AND CMB INTERNATIONAL CAPITAL LIMITED AND HAITONG INTERNATIONAL CAPITAL LIMITED

#### INTRODUCTION

We report on the historical financial information of Synagistics Pte Ltd. (the “**Target Company**”) and its subsidiaries (together, the “**Target Group**”) set out on pages I-4 to I-74, which comprise the consolidated statements of financial position of the Target Group as at 31 December 2021, 2022, 2023 and 30 April 2024, the statements of financial position of the Target Company as at 31 December 2021, 2022, 2023 and 30 April 2024, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Target Group for each of the three years ended 31 December 2023 and the four months ended 30 April 2024 (the “**Relevant Periods**”) and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-4 to I-74 forms an integral part of this report, which has been prepared for inclusion in the circular of HK Acquisition Corporation (the “**Company**”) dated [REDACTED] (the “**Circular**”) in connection with the De-SPAC Transaction (as defined in the Circular).

#### RESPONSIBILITY OF THE DIRECTORS OF THE TARGET COMPANY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Target Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Target Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

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### REPORTING ACCOUNTANTS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Target Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Target Group and Target Company as at 31 December 2021, 2022, 2023 and 30 April 2024, and of the Target Group’s financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation set out in Note 1 to the Historical Financial Information.

### REVIEW OF STUB PERIOD COMPARATIVE FINANCIAL INFORMATION

We have reviewed the stub period comparative financial information of the Target Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the four months ended 30 April 2023 and other explanatory information (the “**Stub Period**

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**Comparative Financial Information**”). The directors of the Target Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 1 to the Historical Financial Information.

### **REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

#### **Adjustments**

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

#### **Dividends**

We refer to Note 13 to the Historical Financial Information which states that no dividend was declared or paid by the Target Company during the Relevant Periods.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

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### **HISTORICAL FINANCIAL INFORMATION OF THE TARGET GROUP**

#### **Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The Historical Financial Information in this report was prepared based on the consolidated financial statements of Synagistics Pte. Ltd. and its subsidiaries for the Relevant Periods (the “**Underlying Financial Statements**”). The Underlying Financial Statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”) and were audited by Deloitte & Touche LLP, a certified public accountants firm registered in Singapore, in accordance with International Standards on Auditing issued by the IASB.

The Historical Financial Information is presented in Singapore dollar (“**S\$**”) and all values are rounded to the nearest thousand (S\$’000) except when otherwise indicated.

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### CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December			Four months ended April 30	
		2021	2022	2023	2023	2024
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
					(Unaudited)	
Revenue . . . . .	6	85,933	112,647	126,595	31,505	36,454
Cost of sales . . . . .		(62,257)	(82,008)	(94,851)	(23,629)	(26,945)
Gross profit . . . . .		23,676	30,639	31,744	7,876	9,509
Other income . . . . .	7	698	527	379	160	44
Other gain and loss . . . . .	8	(256)	(893)	(1,788)	(396)	1,356
Selling and distribution expenses . . . . .		(15,125)	(19,257)	(20,668)	(5,400)	(6,752)
General and administrative expenses . . . . .		(20,745)	(24,208)	(26,009)	(8,221)	(7,846)
Finance costs . . . . .	9	(62)	(568)	(1,658)	(506)	(456)
Loss before income tax . . . . .	10	(11,814)	(13,760)	(18,000)	(6,487)	(4,145)
Income tax credit. . . . .	12	802	633	690	224	228
Loss for the year/period. . . . .		(11,012)	(13,127)	(17,310)	(6,263)	(3,917)
<b>Other comprehensive (expense) income</b>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of foreign operations . . . . .		(81)	137	24	338	227
Total comprehensive expense for the year/period . . . . .		(11,093)	(12,990)	(17,286)	(5,925)	(3,690)
(Loss) profit for the year/period attributable to:						
Owners of the Target Company. . . . .		(11,016)	(13,118)	(17,310)	(6,263)	(3,917)
Non-controlling interests. . . . .		4	(9)	—	—	—
		(11,012)	(13,127)	(17,310)	(6,263)	(3,917)
Total comprehensive (expense) income for the year/period attributable to:						
Owners of the Target Company. . . . .		(11,097)	(12,981)	(17,286)	(5,925)	(3,690)
Non-controlling interests. . . . .		4	(9)	—	—	—
		(11,093)	(12,990)	(17,286)	(5,925)	(3,690)
Loss per share						
— Basic and diluted (Singapore cents) . .	14	(1.48)	(1.76)	(2.32)	(0.84)	(0.52)

\* denotes less than S\$1,000

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### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<i>Notes</i>	As at 31 December			As at 30 April
		2021	2022	2023	2024
		<i>S\$’000</i>	<i>S\$’000</i>	<i>S\$’000</i>	<i>S\$’000</i>
<b>Non-current assets</b>					
Plant and equipment . . . . .	15	521	716	427	333
Right-of-use assets . . . . .	16	1,010	630	1,614	1,195
Intangible assets . . . . .	17	10,222	7,906	5,675	5,198
Goodwill . . . . .	18	49,332	49,332	49,332	49,332
Other receivables . . . . .	20	—	129	84	84
		<u>61,085</u>	<u>58,713</u>	<u>57,132</u>	<u>56,142</u>
<b>Current assets</b>					
Inventories . . . . .	19	4,483	3,172	861	656
Trade and other receivables . . . . .	20	16,662	20,084	20,490	17,542
Contract assets . . . . .	22	5,982	1,706	1,680	1,336
Cash and cash equivalents . . . . .	23	7,132	13,306	13,418	4,943
		<u>34,259</u>	<u>38,268</u>	<u>36,449</u>	<u>24,477</u>
<b>Current liabilities</b>					
Trade and other payables . . . . .	24	29,535	34,255	45,271	38,847
Lease liabilities . . . . .	25	706	434	1,207	910
Bank and other borrowings . . . . .	26	374	1,191	1,403	678
Income tax payable . . . . .		3	—	2	3
		<u>30,618</u>	<u>35,880</u>	<u>47,883</u>	<u>40,438</u>
Net current assets (liabilities) . . . . .		<u>3,641</u>	<u>2,388</u>	<u>(11,434)</u>	<u>(15,961)</u>
Total assets less current liabilities . . . . .		<u>64,726</u>	<u>61,101</u>	<u>45,698</u>	<u>40,181</u>
<b>Non-current liabilities</b>					
Lease liabilities . . . . .	25	320	192	453	333
Bank and other borrowings . . . . .	26	1,535	1,150	780	605
Convertible loan notes . . . . .	27	—	10,352	12,318	11,017
Deferred tax liability . . . . .	28	1,956	1,198	498	267
		<u>3,811</u>	<u>12,892</u>	<u>14,049</u>	<u>12,222</u>
<b>Net assets</b> . . . . .		<u>60,915</u>	<u>48,209</u>	<u>31,649</u>	<u>27,959</u>
<b>Capital and reserves</b>					
Share capital . . . . .	29	74,679	74,679	74,679	74,679
Reserves . . . . .		<u>(13,754)</u>	<u>(26,451)</u>	<u>(43,011)</u>	<u>(46,701)</u>
Equity attributable to owners of the Target Company . . . . .		60,925	48,228	31,668	27,978
Non-controlling interests . . . . .		<u>(10)</u>	<u>(19)</u>	<u>(19)</u>	<u>(19)</u>
<b>Total equity</b> . . . . .		<u>60,915</u>	<u>48,209</u>	<u>31,649</u>	<u>27,959</u>

\* denotes less than S\$1,000

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### STATEMENTS OF FINANCIAL POSITION OF THE TARGET COMPANY

	<i>Notes</i>	As at 31 December			As at
		2021	2022	2023	30 April
		<i>S\$’000</i>	<i>S\$’000</i>	<i>S\$’000</i>	<i>S\$’000</i>
<b>Non-current assets</b>					
Plant and equipment . . . . .		2	1	—	—
Investments in subsidiaries . . . . .	36	61,716	61,731	63,531	63,537
Advances to subsidiaries . . . . .	20	11,056	19,220	18,511	18,489
		<u>72,774</u>	<u>80,952</u>	<u>82,042</u>	<u>82,026</u>
<b>Current assets</b>					
Prepayments . . . . .	20	17	41	14	18
Cash and cash equivalents . . . . .	23	585	1,287	125	10
		<u>602</u>	<u>1,328</u>	<u>139</u>	<u>28</u>
<b>Current liability</b>					
Other payables . . . . .	24	1,165	1,285	1,727	2,023
Net current (liabilities) assets . . . . .		<u>(563)</u>	<u>43</u>	<u>(1,588)</u>	<u>(1,995)</u>
Total assets less current liability . . . . .		<u>72,211</u>	<u>80,995</u>	<u>80,454</u>	<u>80,031</u>
<b>Non-current liability</b>					
Convertible loan notes . . . . .	27	—	10,352	12,318	11,017
<b>Net assets</b> . . . . .		<u>72,211</u>	<u>70,643</u>	<u>68,136</u>	<u>69,014</u>
<b>Capital and reserves</b>					
Share capital . . . . .	29	74,679	74,679	74,679	74,679
Reserves . . . . .		<u>(2,468)</u>	<u>(4,036)</u>	<u>(6,543)</u>	<u>(5,665)</u>
		<u>72,211</u>	<u>70,643</u>	<u>68,136</u>	<u>69,014</u>

\* denotes less than S\$1,000

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### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Target Company					Non-controlling interests	Total
	Share capital	Translation reserve	Share options reserve	Accumulated losses	Subtotal		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2021. . . . .	74,679	(94)	—	(2,737)	71,848	(14)	71,834
(Loss) profit for the year . . . . .	—	—	—	(11,016)	(11,016)	4	(11,012)
Exchange differences on translation of foreign operations . . . . .	—	(81)	—	—	(81)	—*	(81)
Total comprehensive (expense) income for the year . . . . .	—	(81)	—	(11,016)	(11,097)	4	(11,093)
Recognition of share-based payments. . .	—	—	174	—	174	—	174
At 31 December 2021. . . . .	74,679	(175)	174	(13,753)	60,925	(10)	60,915
Loss for the year . . . . .	—	—	—	(13,118)	(13,118)	(9)	(13,127)
Exchange differences on translation of foreign operations . . . . .	—	137	—	—	137	—*	137
Total comprehensive income (expense) for the year . . . . .	—	137	—	(13,118)	(12,981)	(9)	(12,990)
Recognition of share-based payments. . .	—	—	284	—	284	—	284
At 31 December 2022. . . . .	74,679	(38)	458	(26,871)	48,228	(19)	48,209
Loss for the year . . . . .	—	—	—	(17,310)	(17,310)	—*	(17,310)
Exchange differences on translation of foreign operations . . . . .	—	24	—	—	24	—*	24
Total comprehensive income (expense) for the year . . . . .	—	24	—	(17,310)	(17,286)	—*	(17,286)
Recognition of share-based payments. . .	—	—	726	—	726	—	726
At 31 December 2023. . . . .	74,679	(14)	1,184	(44,181)	31,668	(19)	31,649
Loss for the period . . . . .	—	—	—	(3,917)	(3,917)	—	(3,917)
Exchange differences on translation of foreign operations. . . . .	—	227	—	—	227	—	227
Total comprehensive income (expense) for the period . . . . .	—	227	—	(3,917)	(3,690)	—	(3,690)
At 30 April 2024 . . . . .	74,679	213	1,184	(48,098)	27,978	(19)	27,959



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	Attributable to owners of the Target Company					Non-controlling interests	Total
	Share capital	Translation reserve	Share options reserve	Accumulated losses	Subtotal		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
(Unaudited)							
At 1 January 2023. . . . .	74,679	(38)	458	(26,871)	48,228	(19)	48,209
Loss for the period . . . . .	—	—	—	(6,263)	(6,263)	—	(6,263)
Exchange differences on translation of foreign operations . . . . .	—	338	—	—	338	—	338
Total comprehensive income (expense) for the period . . . . .	—	338	—	(6,263)	(5,925)	—	(5,925)
Recognition of share-based payments. . .	—	—	243	—	243	—	243
At 30 April 2023 (unaudited). . . . .	74,679	300	701	(33,134)	42,546	(19)	42,527

\* denotes less than S\$1,000

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### CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December			Four months ended April 30	
	2021	2022	2023	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				(Unaudited)	
<b>OPERATING ACTIVITIES</b>					
Loss before income tax . . . . .	(11,814)	(13,760)	(18,000)	(6,487)	(4,145)
Adjustments for:					
Amortization of intangible assets . . . . .	4,110	3,877	3,782	1,149	1,005
Depreciation of plant and equipment . . . . .	246	348	391	130	116
Depreciation of right-of-use assets . . . . .	533	732	1,338	258	416
Impairment loss (reversal) under expected credit loss (“ECL”) model, net of reversal . . . . .	68	(18)	(2)	—	—
Write-down of inventories, net of reversal . . . . .	144	485	507	52	20
Fair value loss (gain) on convertible loan notes . . . . .	—	514	940	313	(1,667)
Finance costs . . . . .	62	568	1,658	506	456
Bank interest income . . . . .	(4)	(5)	(7)	(2)	(6)
Exchange (gain) loss, net . . . . .	(75)	(122)	6	2	5
Share-based payments expense . . . . .	174	284	726	243	—
Operating cash flows before movements in working capital . . . . .	(6,556)	(7,097)	(8,661)	(3,836)	(3,800)
(Increase) decrease in inventories . . . . .	(1,468)	779	1,803	421	177
(Increase) decrease in trade and other receivables . . . . .	(14,574)	(1,064)	(381)	(6,762)	2,740
Decrease in contract assets . . . . .	2,249	4,251	24	303	328
Increase (decrease) in trade and other payables . . . . .	12,795	2,460	11,062	1,094	(5,967)
Cash (used in) generated from operations . . . . .	(7,554)	(671)	3,847	(8,780)	(6,522)
Tax paid . . . . .	(75)	—	(5)	—	—
Net cash (used in) from operating activities . . . . .	(7,629)	(671)	3,842	(8,780)	(6,522)
<b>INVESTING ACTIVITIES</b>					
Purchase of plant and equipment . . . . .	(463)	(548)	(119)	(42)	(24)
Purchase of intangible assets . . . . .	(329)	(1,561)	(1,551)	(590)	(528)
Interest received . . . . .	4	5	7	2	6
Net cash used in investing activities . . . . .	(788)	(2,104)	(1,663)	(630)	(546)
<b>FINANCING ACTIVITIES</b>					
Proceeds from issuance of convertible loan notes . . . . .	—	9,393	—	—	—
Proceeds from borrowings . . . . .	2,000	1,772	2,780	1,916	—
Repayment of borrowings . . . . .	(91)	(1,340)	(2,938)	(128)	(900)
Repayment of lease liabilities . . . . .	(520)	(753)	(1,277)	(249)	(417)
Interest paid . . . . .	(62)	(123)	(632)	(179)	(90)
Net cash from (used in) financing activities . . . . .	1,327	8,949	(2,067)	1,360	(1,407)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS . . . . .</b>	<b>(7,090)</b>	<b>6,174</b>	<b>112</b>	<b>(8,050)</b>	<b>(8,475)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD . . . . .</b>	<b>14,222</b>	<b>7,132</b>	<b>13,306</b>	<b>13,306</b>	<b>13,418</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD . . . . .</b>	<b>7,132</b>	<b>13,306</b>	<b>13,418</b>	<b>5,256</b>	<b>4,943</b>

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### NOTES TO THE HISTORICAL FINANCIAL INFORMATION

#### 1. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Target Company was incorporated in Singapore. The addresses of the registered office and the principal place of business are disclosed in the section “Corporate Information” of the Circular.

The Target Company acts as an investment holding company and the major operating subsidiaries, as disclosed in Note 36, are principally engaged in the multi-channel commerce sales, digital marketing solutions, and digital platform solutions.

The Historical Financial Information is presented in the currency of Singapore dollar (“S\$”), which is the Target Company’s functional currency.

The Historical Financial Information has been prepared based on the accounting policies in accordance with IFRSs issued by the IASB.

In preparing the Historical Financial Information, the directors of the Target Company have given careful consideration to the going concern status of the Target Group in light of the fact that the Target Group reported a net loss of approximately S\$17,310,000 and S\$3,917,000 during the year ended 31 December 2023 and the four months ended 30 April 2024, respectively, and as at 30 April 2024, the Target Group’s current liabilities exceeded its current assets by approximately S\$15,961,000. The Target Group has unutilized credit facilities of approximately S\$4,608,000 as at 30 April 2024. The directors of the Target Company are of the opinion that, taking into account the above unutilized banking facilities, total new borrowings of S\$7,100,000 obtained during May to August 2024, loan facility of S\$10,600,000 from several private investors obtained in May 2024, continued sustained growth, active working capital management and the Target Group’s cash flow projection for the coming year, the Target Group will have sufficient working capital to meet its cashflow requirements in the next twelve months from the date of this report. Accordingly, these Historical Financial Information have been prepared on a going concern basis.

The statutory financial statements of the Target Company for the years ended 31 December 2021, 2022 and 2023 were prepared in accordance with Financial Reporting Standards in Singapore and were audited by Deloitte & Touche LLP, certified public accountants registered in Singapore.

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### 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

For the purpose of preparing the Historical Financial Information for the Relevant Periods, the Target Group has consistently applied the accounting policies which conform with IFRSs issued by the IASB, which are effective for the Target Group’s accounting period beginning on 1 January 2024, throughout the Relevant Periods.

At the date of this report, the Target Group has not early applied the following new and amendments to IFRSs in issue which are not yet effective.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to IFRS Accounting Standards	Annual Improvement to IFRS Accounting Standards — Volume 11 <sup>3</sup>
Amendments to IAS 21	Lack of Exchangeability <sup>2</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>

<sup>1</sup> Effective for the Target Group’s annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for the Target Group’s annual periods beginning on or after 1 January 2025

<sup>3</sup> Effective for the Target Group’s annual periods beginning on or after 1 January 2026

<sup>4</sup> Effective for the Target Group’s annual periods beginning on or after 1 January 2027

Except as described below, the directors of the Target Group anticipate that the application of all amendments to IFRSs will have no material impact on the Target Group’s financial position and financial performance in the foreseeable future.

#### IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace IAS 1 *Presentation of Financial Statements*. The new IFRS Accounting Standard introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made. IFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is not

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expected to have material impact on the financial position of the Target Group but is expected to affect the presentation of the statement of profit or loss and statement of cash flows and disclosures in the future financial statements. The Target Group will continue to assess the impact of IFRS 18 on the Group’s consolidated financial statements.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with IFRSs issued by the IASB. For the purpose of preparation of Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

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

The principal accounting policies adopted are set out below.

#### **Basis of consolidation**

Non-controlling interests in subsidiaries are presented separately from the equity attributable to the owners of the Target Company therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

#### **Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Target Group’s cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

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A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

### **Revenue from contracts with customers**

#### **(i) *Direct-to-Consumer (“D2C”)* — sale of products via omni-channels**

The Target Group is involved in the selling of a wide range of branded consumer merchandise and products, including products in beauty, body, baby, apparel and fashion sectors, via omni-channels. Revenue from the sale of products is recognized when control of the goods has transferred, being when the goods have been shipped to the customer’s location (delivery).

Under the Target Group’s standard contract terms, customers have a right of return within 14 days. At the point of sale, a refund liability and a corresponding adjustment to revenue are recognized for those products expected to be returned. At the same time, the Target Group has a right to recover the product when customers exercise their right of return so consequently recognizes a right to returned goods asset and a corresponding adjustment to the cost of inventories recognized in profit or loss. The Target Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognized will not occur given the consistent level of returns over previous years.

#### **(ii) *Direct-to-Brands or Businesses (“D2B”)* — Digital solutions**

The Target Group provides a series of digital solutions including commerce management, data analytics, digital supply chain and digital marketing services. Revenue is recognized over time based on the progress towards complete satisfaction of a performance obligation which is measured based on input method, which is to recognize revenue on the basis of the Target Group’s efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Target Group’s performance in transferring control of goods or services.

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A contract asset represents the Target Group’s right to consideration in exchange for services that the Target Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Target Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Target Group’s obligation to transfer goods or services to a customer for which the Target Group has received consideration (or an amount of consideration is due) from the customer.

### **Foreign currencies**

In preparing the financial statements of the each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Target Group’s operations are translated into the presentation currency of the Target Group (i.e. S\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

### **Share-based payments**

#### ***Equity-settled share-based payment transactions***

##### *Share options granted to employees*

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

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The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Target Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Target Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

When share options are exercised, the amount previously recognized in share options reserve will be transferred to accumulated losses. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share options reserve will be transferred to accumulated losses.

### **Taxation**

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from “loss before income tax” as reported in the consolidated statements of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Target Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary difference. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.



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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

Current and deferred tax are recognized in profit or loss.

### **Intangible assets**

#### ***Intangible assets acquired separately***

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

#### ***Internally-generated intangible assets — research and development expenditure***

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

### **Impairment losses on property and equipment, right-of-use assets and intangible assets other than goodwill**

At the end of the reporting period, the Target Group reviews the carrying amounts of its property and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Target Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

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

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If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Target Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

### **Inventories**

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Target Group must incur to make the sale.

### **Financial instruments**

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than 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 liabilities at FVTPL are recognized immediately in profit or loss.

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The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and 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 asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

### ***Financial assets***

#### *Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortized cost:

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

#### *Amortised cost and interest income*

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost. 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 (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

#### *Impairment of financial assets subject to impairment assessment under IFRS 9*

The Target Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including advances to subsidiaries, trade receivables and other receivables, contract assets and bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at the end of each reporting date to reflect changes in credit risk since initial recognition.

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Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Target Group’s historical credit loss experience, and factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Target Group always assesses lifetime ECL for trade receivables and contract assets.

For all other financial instruments, the Target Group assesses the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Target Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Target Group compares the risk of a default occurring on the financial instrument as at the end of each 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 Target 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.

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

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk. e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and

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

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

Despite the foregoing, the Target Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it 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 fulfill its contractual cash flow obligations.

The Target 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.

### (ii) Definition of default

For internal credit risk management, the Target Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Target Group, in full.

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

### (iii) 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:

- significant financial difficulty of the issuer or the borrower;

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- a breach of contract, such as a default or past due event;
- 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
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Target 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, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of accounts receivable, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Target Group’s recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries are recognized in profit or loss.

(v) 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 and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Target Group in accordance with the contract and the cash flows that the Target Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Target Group takes into consideration the following characteristics when formulating the grouping:

- Nature of financial instruments;

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- Past-due status; and
- Nature, size and industry of debtors.

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

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Target Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount with the exception of trade receivables where the correspondence adjustment is recognized through a loss allowance account.

### *Derecognition of financial assets*

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

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

### ***Financial liabilities and equity***

#### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.



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### *Equity instruments*

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

### *Financial liabilities*

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

### *Financial liabilities at amortized cost*

Financial liabilities (including trade and other payables and bank and other borrowings) are subsequently measured at amortized cost, using the effective interest method.

### *Convertible loan notes*

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Target Group’s own equity instruments is a conversion option derivative.

At the date of issue, both the debt component and derivative components are recognized at fair value and the convertible loan notes are designated as at FVTPL. In subsequent period, changes in fair value are recognized in profit or loss as fair value gain or loss except for changes in the fair value that is attributable to changes in the credit risk (excluding changes in fair value of the derivatives component) is recognized in other comprehensive income, unless the recognition of the effects of changes in the credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to the credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss, they are transferred to retained profits upon derecognition.

Transaction costs relating to the issue of the convertible loan notes are charged to profit or loss immediately.

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### *Foreign exchange gains and losses*

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the “Other gain and loss” line item in profit or loss (Note 8).

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 recognized in profit or loss.

### *Derecognition of financial liabilities*

The Target Group derecognizes financial liabilities when, and only when, the Target Group’s obligations are discharged, canceled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

## **4. KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Target Group’s accounting policies, which are described in Note 3, management is required to make 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 recognized 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.

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

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### **Estimated impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Target Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As at 31 December 2021, 2022, 2023 and 30 April 2024, the carrying amounts of goodwill were approximately S\$49,332,000, S\$49,332,000, S\$49,332,000 and S\$49,332,000, respectively. Details of the recoverable amount calculation are disclosed in Note 18.

### **Fair value measurement of convertible loan notes**

As at 31 December 2022, 2023 and 30 April 2024, convertible loan notes amounting to S\$10,352,000, S\$12,318,000 and S\$11,017,000, respectively, are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. See Note 34 for further disclosures.

### **Provision of ECL for trade receivables and contract assets**

For trade receivables and contract assets, as groupings of various debtors taking into consideration the Target Group’s historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort, collective assessment is performed by grouping debtors based on the Target Group’s internal credit ratings.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Target Group’s trade receivables and contract assets are disclosed in Note 34.

## **5. SEGMENT INFORMATION**

The Target Group is currently organized into two reportable segments — D2C and D2B. Principal activities of these two reportable segments are as follows:

- (i) D2C — Sale of products via omni-channels

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### (ii) D2B — Digital solutions services

Reportable segments are reported in a manner consistent with the internal reporting provided to the executive directors of the Target Company, being the chief operating decision maker (the “CODM”). CODM is responsible for allocating resources and assessing performance of the reportable segments and making strategic decisions.

Segment information about these businesses is presented below:

An analysis of the Target Group’s revenue and results by reportable segments is as follows:

	Year ended 31 December			Four months ended 30 April	
	2021	2022	2023	2023	2024
	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000
				(Unaudited)	
<b>Segment revenue</b>					
D2C . . . . .	70,646	92,556	99,952	24,781	28,395
D2B . . . . .	15,287	20,091	26,643	6,724	8,059
	<u>85,933</u>	<u>112,647</u>	<u>126,595</u>	<u>31,505</u>	<u>36,454</u>
<b>Segment results</b>					
D2C . . . . .	13,245	18,273	13,748	3,342	3,942
D2B . . . . .	10,431	12,366	17,996	4,534	5,567
Unallocated corporate income. . . . .	698	527	379	160	44
Unallocated corporate expenses. . . . .	(36,188)	(44,926)	(50,123)	(14,523)	(13,698)
Loss before income tax. . . . .	<u>(11,814)</u>	<u>(13,760)</u>	<u>(18,000)</u>	<u>(6,487)</u>	<u>(4,145)</u>

The accounting policies of the reportable segments are the same as the Target Group’s accounting policies described in Note 3. Segment results represent the loss before income tax from each segment without allocation of corporate income and expenses. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

## APPENDIX I ACCOUNTANTS’ REPORT OF THE TARGET GROUP

### Geographical information

The Target Group’s operations are mainly in Singapore, the Philippines, Indonesia, Vietnam and Malaysia. Information about the Target Group’s revenue from external customers is presented based on the location of the operations. Information about the Target Group’s non-current assets is presented based on geographical location of the assets.

	Year ended 31 December			Four months ended 30 April	
	2021	2022	2023	2023	2024
	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000
				(Unaudited)	
Revenue from external customers:					
Singapore . . . . .	41,399	38,992	20,970	7,049	4,099
The Philippines . . . . .	24,829	47,345	70,562	15,708	23,672
Indonesia . . . . .	8,924	14,001	15,068	4,242	2,591
Vietnam . . . . .	4,896	5,694	11,310	2,275	3,825
Malaysia . . . . .	4,701	4,759	4,461	1,383	1,265
Others . . . . .	1,184	1,856	4,224	848	1,002
	<u>85,933</u>	<u>112,647</u>	<u>126,595</u>	<u>31,505</u>	<u>36,454</u>

	As at 31 December			As at 30 April	
	2021	2022	2023	2024	
	S\$’000	S\$’000	S\$’000	S\$’000	
Non-current assets:					
Singapore . . . . .	60,668	57,842	55,888	55,115	
The Philippines . . . . .	203	320	177	133	
Indonesia . . . . .	25	148	10	16	
Vietnam . . . . .	42	120	787	636	
Malaysia . . . . .	86	219	216	193	
Others . . . . .	61	64	54	49	
	<u>61,085</u>	<u>58,713</u>	<u>57,132</u>	<u>56,142</u>	

### Information about major customers

There is no customer who contributes more than 10% of the total revenue of the Target Group during each of the three years ended 31 December 2023 and the four months ended 30 April 2023 (unaudited) and 2024.

## APPENDIX I ACCOUNTANTS’ REPORT OF THE TARGET GROUP

### 6. REVENUE

	Year ended 31 December			Four months ended 30 April	
	2021	2022	2023	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				(Unaudited)	
D2C — Recognized at a point in time					
Sale of products via omni-channels . . . . .	70,646	92,556	99,952	24,781	28,395
D2B — Recognized over time					
Digital solutions services . . . . .	15,287	20,091	26,643	6,724	8,059
	<u>85,933</u>	<u>112,647</u>	<u>126,595</u>	<u>31,505</u>	<u>36,454</u>

As at 31 December 2021, 2022, 2023 and 30 April 2024, all outstanding contracts are expected to be fulfilled within 12 months after the end of each reporting period. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contract is not disclosed.

### 7. OTHER INCOME

	Year ended 31 December			Four months ended 30 April	
	2021	2022	2023	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				(Unaudited)	
Government grants ( <i>Note</i> ) . . . . .	560	450	237	152	15
Bank interest income . . . . .	4	5	7	2	6
Others . . . . .	134	72	135	6	23
	<u>698</u>	<u>527</u>	<u>379</u>	<u>160</u>	<u>44</u>

*Note:* The Target Group received wage support for local employees under the Jobs Support Scheme from the Singapore Government as part of the government’s measures to support businesses during the period of economic uncertainty impacted by COVID-19. Grant income from Singapore Government of approximately S\$212,000, S\$48,000, nil, nil (unaudited) and nil were recognized in profit or loss during the years ended 31 December 2021, 2022, 2023 and the four months ended 30 April 2023 and 2024, respectively, to compensate related salary costs incurred during the mentioned periods. The remaining government grants represent other subsidies associated with labor market support provided by the governments.

## APPENDIX I ACCOUNTANTS’ REPORT OF THE TARGET GROUP

### 8. OTHER GAIN AND LOSS

	Year ended 31 December			Four months ended 30 April	
	2021	2022	2023	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				(Unaudited)	
Impairment (loss) reversal under ECL model, net of reversal. . . . .	(68)	18	2	—	—
Exchange (loss) gain, net . . . . .	(44)	88	(343)	(31)	(292)
Fair value (loss) gain on convertible loan notes . . . .	—	(514)	(940)	(313)	1,667
Others . . . . .	(144)	(485)	(507)	(52)	(19)
	<u>(256)</u>	<u>(893)</u>	<u>(1,788)</u>	<u>(396)</u>	<u>1,356</u>

### 9. FINANCE COSTS

	Year ended 31 December			Four months ended 30 April	
	2021	2022	2023	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				(Unaudited)	
Interest on convertible loan notes . . . . .	—	445	1,026	327	366
Interest on bank and other borrowings . . . . .	18	89	500	174	58
Interest on lease liabilities . . . . .	44	34	132	5	32
	<u>62</u>	<u>568</u>	<u>1,658</u>	<u>506</u>	<u>456</u>

## APPENDIX I ACCOUNTANTS’ REPORT OF THE TARGET GROUP

### 10. LOSS BEFORE INCOME TAX

	Year ended 31 December			Four months ended 30 April	
	2021	2022	2023	2023	2024
	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000
				(Unaudited)	
Loss before income tax has been arrived at after charging:					
Employees benefits expenses (including the directors’ remuneration)					
— Salaries, allowances and other benefits . . . . .	10,927	14,539	14,551	4,792	4,526
— Retirement benefit expenses . . . . .	917	1,168	1,458	413	434
— Share-based payment expenses . . . . .	174	284	726	243	—
Total staff costs . . . . .	12,018	15,991	16,735	5,448	4,960
Auditor’s remuneration . . . . .	295	323	342	67	72
Cost of inventories recognized as an expense . . . . .	53,523	69,332	80,962	19,925	22,893
Amortization of intangible assets . . . . .	4,110	3,877	3,782	1,149	1,005
Depreciation of plant and equipment . . . . .	246	348	391	130	116
Depreciation of right-of-use assets . . . . .	533	732	1,338	258	416
Write-down of inventories, net of reversal . . . . .	144	485	507	52	20

### 11. DIRECTORS’, CHIEF EXECUTIVE’S AND EMPLOYEES’ EMOLUMENTS

- (a) The emoluments paid or payable to the directors and chief executive officer of the Target Company by the Target Group during the Relevant Periods are as follows:

#### For the year ended 31 December 2021

Executive directors	Salaries and other benefits	Retirement benefit expenses	Total
	S\$’000	S\$’000	S\$’000
Lee Shieh-Peen Clement ( <i>Note i</i> ) . . . . .	351	17	368
Tsao Thomas Gai Tei . . . . .	—	—	—
Liu Xiu Yun ( <i>Note ii</i> ) . . . . .	—	—	—
Thomas Richard Tzien Damek ( <i>Note iv</i> ) . . .	—	—	—
Yang Runhua ( <i>Note iii</i> ) . . . . .	—	—	—
	351	17	368



## APPENDIX I ACCOUNTANTS’ REPORT OF THE TARGET GROUP

### For the year ended 31 December 2022

Executive directors	Salaries and other benefits	Retirement benefit expenses	Total
	<i>S\$’000</i>	<i>S\$’000</i>	<i>S\$’000</i>
Lee Shieh-Peen Clement ( <i>Note i</i> ) . . . . .	351	17	368
Tsao Thomas Gai Tei . . . . .	—	—	—
Thomas Richard Tzien Damek ( <i>Note iv</i> ) . . .	—	—	—
Yang Runhua ( <i>Note iii</i> ) . . . . .	—	—	—
	<u>351</u>	<u>17</u>	<u>368</u>

### For the year ended 31 December 2023

Executive directors	Salaries and other benefits	Retirement benefit expenses	Total
	<i>S\$’000</i>	<i>S\$’000</i>	<i>S\$’000</i>
Lee Shieh-Peen Clement ( <i>Note i</i> ) . . . . .	352	17	369
Tsao Thomas Gai Tei . . . . .	—	—	—
Chen Xi ( <i>Note v</i> ) . . . . .	—	—	—
	<u>352</u>	<u>17</u>	<u>369</u>

### For the four months ended 30 April 2023 (unaudited)

Executive directors	Salaries and other benefits	Retirement benefit expenses	Total
	<i>S\$’000</i> (unaudited)	<i>S\$’000</i> (unaudited)	<i>S\$’000</i> (unaudited)
Lee Shieh-Peen Clement ( <i>Note i</i> ) . . . . .	123	4	127
Tsao Thomas Gai Tei . . . . .	—	—	—
	<u>123</u>	<u>4</u>	<u>127</u>

## APPENDIX I ACCOUNTANTS’ REPORT OF THE TARGET GROUP

For the four months ended 30 April 2024

Executive directors	Salaries and other benefits	Retirement benefit expenses	Total
	<i>S\$’000</i>	<i>S\$’000</i>	<i>S\$’000</i>
Lee Shieh-Peen Clement ( <i>Note i</i> ) . . . . .	123	4	127
Tsao Thomas Gai Tei . . . . .	—	—	—
Chen Xi ( <i>Note v</i> ). . . . .	—	—	—
	123	4	127

Notes:

- (i) Lee Shieh-Peen, Clement is also the chief executive officer of the Target Company.
- (ii) Liu Xiu Yun resigned as executive director of the Target Company with effect from 11 June 2021.
- (iii) Yang Runhua was appointed and resigned as executive director of the Target Company with effect from 11 June 2021 and 31 July 2022, respectively.
- (iv) Thomas Richard Tzien Damek resigned as executive director of the Target Company with effect from 31 July 2022.
- (v) Chen Xi was appointed as executive director of the Target Company with effect from 20 October 2023.

The executive director’s emoluments shown above were for his services in connection with the management of the affairs of the Target Group.

None of the directors nor chief executive officer waived or agreed to waive any emoluments during the Relevant Periods.

## APPENDIX I ACCOUNTANTS’ REPORT OF THE TARGET GROUP

### (b) Employees’ emoluments

The five highest paid individuals included one director for the years ended 31 December 2021, 2022, 2023 and the four months ended 30 April 2023 (unaudited) and 2024, respectively, whose emoluments are included in the disclosures in (a) above for the Relevant Periods. The emoluments of the remaining four individuals for the years ended 31 December 2021, 2022, 2023 and the four months ended 30 April 2023 (unaudited) and 2024, respectively, are as follows:

	Year ended 31 December			Four months ended 30 April	
	2021	2022	2023	2023	2024
	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000
				(Unaudited)	
Salaries, allowances and other benefits . . . . .	814	967	1,035	345	355
Share-based payments expenses . . . . .	90	82	102	34	—
Discretionary bonus* . . . . .	40	25	55	18	8
	<u>944</u>	<u>1,074</u>	<u>1,192</u>	<u>397</u>	<u>363</u>

\* The discretionary bonus is determined by reference to the duties and responsibilities of the relevant individual within the Target Group and the Target Group’s performance.

The emoluments of the highest paid employees who are not director of the Target Company were within the following band:

	Year ended 31 December			Four months ended 30 April	
	2021	2022	2023	2023	2024
				(Unaudited)	
Nil to HK\$1,000,000 (equivalent to Nil to S\$172,000). . . . .	—	—	—	4	4
HK\$1,000,001 to HK\$1,500,000 (equivalent to S\$172,001 to S\$257,000) . . . . .	3	2	2	—	—
HK\$1,500,001 to HK\$2,000,000 (equivalent to S\$257,001 to S\$343,000) . . . . .	<u>1</u>	<u>2</u>	<u>2</u>	<u>—</u>	<u>—</u>
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

During the Relevant Periods, no emoluments were paid by the Target Group to any of the directors of the Target Company or the chief executive officer of the Target Group or the five highest paid individuals as an inducement to join or upon joining the Target Group or as compensation for loss of office.

## APPENDIX I ACCOUNTANTS’ REPORT OF THE TARGET GROUP

### 12. INCOME TAX CREDIT

	Year ended 31 December			Four months ended 30 April	
	2021	2022	2023	2023	2024
				(Unaudited)	
Current tax:					
— Corporate Income Tax . . . . .	2	125	10	7	3
— Under provision in prior year . . . . .	7	—	—	—	—
	9	125	10	7	3
Deferred tax (Note 28) . . . . .	(811)	(758)	(700)	(231)	(231)
	(802)	(633)	(690)	(224)	(228)

Subsidiaries incorporated in Singapore, Indonesia and the Philippines are subject to the domestic statutory corporate tax rate of 17%, 22% and 25%, respectively, for the years ended 31 December 2021, 2022, 2023 and the four months ended 30 April 2023 (unaudited) and 2024.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The income tax credit for the each of the three years ended 31 December 2023 and the four months ended 30 April 2023 (unaudited) and 2024 can be reconciled to the loss before income tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December			Four months ended 30 April	
	2021	2022	2023	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				(Unaudited)	
Loss before income tax. . . . .	(11,814)	(13,760)	(18,000)	(6,487)	(4,145)
Tax at the statutory tax rate of 17% . . . . .	(2,008)	(2,339)	(3,060)	(1,103)	(705)
Tax effect of income not taxable . . . . .	(42)	(51)	(63)	(17)	(283)
Tax effect of expenses not deductible					
for tax purpose . . . . .	605	771	580	282	487
Tax effect of tax losses not recognized . . . . .	810	1,067	1,555	525	235
Effect of different tax rates of subsidiaries. . . . .					
operating in other jurisdictions. . . . .	(179)	(182)	146	50	48
Under provision in prior year . . . . .	7	—	—	—	—
Others . . . . .	5	101	152	39	(10)
Income tax credit . . . . .	(802)	(633)	(690)	(224)	(228)

## APPENDIX I ACCOUNTANTS’ REPORT OF THE TARGET GROUP

### 13. DIVIDENDS

No dividend was declared or paid by the Target Company during the Relevant Periods.

### 14. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Target Company is based on the following data:

	Year ended 31 December			Four months ended 30 April	
	2021	2022	2023	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				(Unaudited)	
Loss for the year/period attributable to owners of the Target Company for the purpose of basic and diluted loss per share . . . . .	(11,016)	(13,118)	(17,310)	(6,263)	(3,917)
<b>Number of shares</b>					
	'000	'000	'000	'000	'000
Number of ordinary shares and preference shares for the purpose of basic and diluted loss per share . . .	746,792	746,792	746,792	746,792	746,792

The computation of diluted loss per share does not assume the exercise of the Target Company’s outstanding share options and conversion of convertible loan notes since their assumed exercise and conversion would result in a decrease in loss per share.

## APPENDIX I ACCOUNTANTS’ REPORT OF THE TARGET GROUP

### 15. PLANT AND EQUIPMENT

#### The Target Group

	Computers	Furniture and fittings	Office equipment	Leasehold improvement	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>COST</b>					
At 1 January 2021 . . . . .	248	32	24	38	342
Additions. . . . .	392	2	18	51	463
Exchange realignment . . . . .	(9)	—	—	—	(9)
At 31 December 2021 . . . . .	631	34	42	89	796
Additions. . . . .	244	103	74	127	548
Exchange realignment . . . . .	(24)	(3)	—	(3)	(30)
At 31 December 2022 . . . . .	851	134	116	213	1,314
Additions. . . . .	55	11	1	52	119
Exchange realignment . . . . .	(21)	(3)	(4)	(6)	(34)
At 31 December 2023 . . . . .	885	142	113	259	1,399
Additions. . . . .	21	—	3	—	24
Exchange realignment . . . . .	(8)	—	(1)	—	(9)
At 30 April 2024 . . . . .	898	142	115	259	1,414
<b>DEPRECIATION</b>					
At 1 January 2021 . . . . .	(18)	(5)	(3)	(6)	(32)
Provided for the year . . . . .	(175)	(21)	(15)	(35)	(246)
Exchange realignment . . . . .	3	—	—	—	3
At 31 December 2021 . . . . .	(190)	(26)	(18)	(41)	(275)
Provided for the year . . . . .	(258)	(15)	(20)	(55)	(348)
Exchange realignment . . . . .	22	2	—	1	25
At 31 December 2022 . . . . .	(426)	(39)	(38)	(95)	(598)
Provided for the year . . . . .	(252)	(37)	(36)	(66)	(391)
Exchange realignment . . . . .	12	1	1	3	17
At 31 December 2023 . . . . .	(666)	(75)	(73)	(158)	(972)
Provided for the period . . . . .	(69)	(12)	(12)	(23)	(116)
Exchange realignment . . . . .	6	—	1	—	7
At 30 April 2024 . . . . .	(729)	(87)	(84)	(181)	(1,081)
<b>CARRYING AMOUNTS</b>					
At 31 December 2021 . . . . .	441	8	24	48	521
At 31 December 2022 . . . . .	425	95	78	118	716
At 31 December 2023 . . . . .	219	67	40	101	427
At 30 April 2024 . . . . .	169	55	31	78	333

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The above items of property and equipment are depreciated on a straight-line basis over the useful lives at the following rates per annum, taking into account the residual value:

Computers	3 years
Furniture and fittings	3 years
Office equipment	3 years
Leasehold improvement	Shorter of 3 years or lease term

### 16. RIGHT-OF-USE ASSETS

	Office premises	Office equipment	Motor vehicles	Warehouse premises	Total
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
<b>COST</b>					
At 1 January 2021 . . . . .	187	18	4	—	209
Additions . . . . .	440	—	15	907	1,362
Disposal. . . . .	—	—	(4)	—	(4)
Exchange realignment . . . . .	(1)	—	—	—	(1)
At 31 December 2021 . . . . .	626	18	15	907	1,566
Additions . . . . .	333	20	—	—	353
Exchange realignment . . . . .	(2)	—	—	—	(2)
At 31 December 2022 . . . . .	957	38	15	907	1,917
Additions . . . . .	951	—	—	1,360	2,311
Leases expired. . . . .	—	—	(15)	—	(15)
Exchange realignment . . . . .	7	—	—	8	15
At 31 December 2023 . . . . .	1,915	38	—	2,275	4,228
Leases expired . . . . .	(28)	(3)	—	(8)	(39)
Exchange realignment . . . . .	(8)	—	—	—	(8)
At 30 April 2024 . . . . .	1,879	35	—	2,267	4,181

The Target Group leases office premises, office equipment, motor vehicles and warehouse premises during each of the three years ended 31 December 2023 and the four months ended 30 April 2023 (unaudited) and 2024. Lease contracts for premises are entered into for fixed term of 2 to 5 years, without any extension nor termination options, respectively. Lease terms are negotiated



## APPENDIX I ACCOUNTANTS’ REPORT OF THE TARGET GROUP

on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Target Group applies the definition of a contract and determines the period for which the contract is enforceable.

### Restrictions or covenants on leases

In addition, lease liabilities of approximately S\$1,026,000, S\$626,000, S\$1,660,000 and S\$1,243,000 are recognized with related right-of-use assets of approximately S\$1,010,000, S\$630,000, S\$1,614,000 and S\$1,195,000 as at 31 December 2021, 2022, 2023 and 30 April 2024, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

### 17. INTANGIBLE ASSETS

	Software development- in-progress	Software	Customer relationship	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>COST</b>				
At 1 January 2021 . . . . .	871	9	13,140	14,020
Additions . . . . .	309	20	—	329
Transfer . . . . .	(635)	635	—	—
At 31 December 2021. . . . .	545	664	13,140	14,349
Additions . . . . .	1,344	217	—	1,561
At 31 December 2022. . . . .	1,889	881	13,140	15,910
Additions . . . . .	1,551	—	—	1,551
Transfer . . . . .	(2,240)	2,240	—	—
At 31 December 2023. . . . .	1,200	3,121	13,140	17,461
Additions . . . . .	528	—	—	528
At 30 April 2024 . . . . .	1,728	3,121	13,140	17,989
<b>AMORTIZATION</b>				
At 1 January 2021 . . . . .	—	(17)	—	(17)
Amortization. . . . .	—	(225)	(3,885)	(4,110)
At 31 December 2021. . . . .	—	(242)	(3,885)	(4,127)
Amortization. . . . .	—	(291)	(3,586)	(3,877)
At 31 December 2022. . . . .	—	(533)	(7,471)	(8,004)
Amortization. . . . .	—	(506)	(3,276)	(3,782)

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	Software development- in-progress	Software	Customer relationship	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At 31 December 2023. . . . .	—	(1,039)	(10,747)	(11,786)
Amortization. . . . .	—	(207)	(798)	(1,005)
At 30 April 2024 . . . . .	—	(1,246)	(11,545)	(12,791)
<b>CARRYING AMOUNTS. . . . .</b>				
At 31 December 2021. . . . .	545	422	9,255	10,222
At 31 December 2022. . . . .	1,889	348	5,669	7,906
At 31 December 2023. . . . .	1,200	2,082	2,393	5,675
At 30 April 2024 . . . . .	1,728	1,875	1,595	5,198

The above items of intangible assets are amortized on a straight-line basis over the useful lives, taking into account the residual value:

Software	5 years
Customer relationship	5 years

Software development-in-progress will not be amortized until they are available for use. Instead they will be tested for impairment annually and whenever there is an indication that they may be impaired. Particulars of the impairment testing are disclosed in note 18.

### 18. GOODWILL

	S\$'000
At 1 January 2021, 31 December 2021, 2022, 2023 and 30 April 2024. . . . .	49,332

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### Impairment testing on goodwill and Software development in-progress

For the purposes of impairment testing, goodwill and software development in-progress set out above and in note 17 have been allocated to two group of cash generating units (“CGUs”), comprising the CGUs in D2C segment and D2B segment separately. The carrying amounts of goodwill and software development in-progress allocated to these groups of CGUs are as follows:

	Goodwill				Software development in-progress			
	As at 31 December			As at 30 April	As at 31 December			As at 30 April
	2021	2022	2023	2024	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
CGUs in D2C segment . .	27,626	27,626	27,626	27,626	305	1,058	672	968
CGUs in D2B segment . .	21,706	21,706	21,706	21,706	240	831	528	760
Total . . . . .	49,332	49,332	49,332	49,332	545	1,889	1,200	1,728

In additional to goodwill and software development in-progress, other non-financial assets (including property, plant and equipment, right of use assets and other intangible assets) are allocated to these two groups of CGUs for impairment testing purpose.

The recoverable amount of the two group of CGUs has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and pre-tax discount rate of 21%, 22%, 23% and 23% as at 31 December 2021, 2022, 2023 and 30 April 2024, respectively. The two group of CGUs’ cash flows beyond the 5-year period are extrapolated using a steady 1.5% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the past performance and management’s expectations for the market development. During the Relevant Periods, the management of the Target Group determines that there is no impairment on the goodwill and software development in-progress. The management of the Target Group determines that there is no reasonable possible change in the key parameters that could cause the carrying amount of the groups of CGUs to exceed the recoverable amount as at the end of each of the Relevant Periods.

## APPENDIX I ACCOUNTANTS’ REPORT OF THE TARGET GROUP

The headroom of each group of CGUs (i.e., by how much the recoverable amount would exceed the carrying amount of the groups of CGUs when the key parameters have been applied in the impairment testing during the Track Record Period) is summarized in the following table:

	As at 31 December			As at 30 April
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Headroom				
CGUs in D2C segment . . . . .	77,699	75,639	67,086	67,641
CGUs in D2B segment . . . . .	61,050	59,431	52,711	53,146

Based on the impairment test results, there was no impairment of goodwill, intangible assets and other non-financial assets as of the end of each of the Track Record Period. The management conducted sensitivity analyses of the parameters applied in the base version of the impairment test to confirm whether a reasonably possible change in key parameters (discount rate increased by 5%) would cause the carrying amount of the groups of CGUs to exceed its recoverable amount. The results of the sensitivity analyses on the pre-tax discount rate are summarized in the following table:

	As at 31 December			As at 30 April
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Headroom				
CGUs in D2C segment . . . . .	45,289	44,582	38,633	39,188
CGUs in D2B segment . . . . .	35,584	35,028	30,355	30,790

On the basis of the analyses performed, the management has represented that they believe a reasonable possible change in the key parameters would not cause the carrying amount of the groups of CGUs to exceed the recoverable amount as at the end of each reporting period.

### 19. INVENTORIES

	As at 31 December			As at 30 April
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Finished goods . . . . .	4,483	3,172	861	656

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### 20. TRADE AND OTHER RECEIVABLES

#### The Target Group

	As at 31 December			As at 30 April
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables . . . . .	15,630	18,209	17,012	13,924
Less: allowance for credit losses . . . . .	(88)	(70)	(68)	(68)
	15,542	18,139	16,944	13,856
Other tax receivables . . . . .	275	777	1,987	2,358
Deposits . . . . .	502	611	703	664
Other receivables . . . . .	266	541	660	483
Prepayments . . . . .	77	145	280	265
	<u>16,662</u>	<u>20,213</u>	<u>20,574</u>	<u>17,626</u>
Presented as:				
Current . . . . .	16,662	20,084	20,490	17,542
Non-current . . . . .	—	129	84	84
	<u>16,662</u>	<u>20,213</u>	<u>20,574</u>	<u>17,626</u>

#### The Target Company

	As at 31 December			As at 30 April
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Prepayments . . . . .	17	41	14	18
Advances to subsidiaries ( <i>Note</i> ) . . . . .	11,056	19,220	18,511	18,489
	<u>11,073</u>	<u>19,261</u>	<u>18,525</u>	<u>18,507</u>

*Note:* Advances to subsidiaries are non-interest bearing, unsecured and repayable on demand.

As at 1 January 2021, trade receivables from contracts with customers of the Target Group amounted to approximately S\$10,237,000.

## APPENDIX I ACCOUNTANTS’ REPORT OF THE TARGET GROUP

The Target Group generally grants credit terms ranging from 30 to 60 days to its corporate customers from the date of invoices. An aging analysis of the trade receivables of the Target Group, net of allowance for impairment losses, presented based on the invoice dates at the end of each reporting period is as follows:

	As at 31 December			As at 30 April
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Within 60 days . . . . .	11,440	12,527	10,270	10,582
61 days to 90 days . . . . .	972	658	3,143	955
Over 90 days . . . . .	3,130	4,954	3,531	2,319
	<u>15,542</u>	<u>18,139</u>	<u>16,944</u>	<u>13,856</u>

The Target Group provides ECL of trade receivables as prescribed by IFRS 9. As at 31 December 2021, 2022, 2023 and 30 April 2024, included in the Target Group’s trade receivables balance are debtors with aggregate carrying amount of approximately S\$7,169,000, S\$10,331,000, S\$8,424,000 and S\$8,125,000, respectively, which are past due as at the reporting date. Out of the past due balances, approximately S\$3,103,000, S\$4,101,000, S\$2,913,000 and S\$2,319,000 has been past due 90 days or more and is not considered as in default because of the historical repayment record of these customers. The Target Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables as at 31 December 2021, 2022, 2023 and 30 April 2024 are set out in Note 34.

### 21. TRANSFERS OF FINANCIAL ASSETS

The following were the Target Group’s trade receivables as at 31 December 2022, 2023 and 30 April 2024 that were transferred to a financial institute by discounting on a full recourse basis. As the Target Group has not transferred the significant risks and rewards, it continues to recognize the full carrying amount and has recognized the cash received on the transfer as a collateralised borrowing (see Note 26). These trade receivables are carried at amortized cost in the consolidated statement of financial position.

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	As at 31 December		As at 30 April
	2022	2023	2024
	S\$'000	S\$'000	S\$'000
<b>Trade receivables discounted to financial institute with full recourse</b>			
Carrying amount of transferred assets . . . . .	806	1,037	270
Carrying amount of associated liabilities . . .	(806)	(1,037)	(270)
Net position . . . . .	—	—	—

### 22. CONTRACT ASSETS

	As at 31 December			As at 30 April
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Service contracts . . . . .	5,982	1,706	1,680	1,336

As at 1 January 2021, contract assets amounted to S\$3,733,000.

The contract assets primarily relate to the Target Group’s right to consideration for work completed and not billed because the rights are conditioned on the Target Group’s future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

The Target Group’s service contracts include payment schedules which require stage payments over the service period once certain specified milestones are reached. The Target Group requires certain customers to provide upfront deposits range from 10% to 20% of total contract sum as part of its credit risk management policies. The Target Group typically transfer to trade receivables when the rights become unconditional.

The Target Group classifies these contract assets as current because the Target Group expects to realize them in its normal operating cycle.

Details of impairment assessment of contract assets are set out in Note 34.

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### 23. CASH AND CASH EQUIVALENTS

#### The Target Group and the Target Company

Cash and cash equivalents comprise cash held by the Target Group and the Target Company and bank balances for the purpose of meeting the Target Group’s and Target Company’s short term cash commitments. Bank balances carry variable interest at average market rates of 0.10%, 0.05%, 0.06% and 0.12% per annum as at 31 December 2021, 2022, 2023 and 30 April 2024, respectively.

Details of impairment assessment of bank balances are set out in Note 34.

### 24. TRADE AND OTHER PAYABLES

#### The Target Group

	As at 31 December			As at 30 April
	2021	2022	2023	2024
	S\$’000	S\$’000	S\$’000	S\$’000
Trade payables ( <i>Note i</i> ) . . . . .	21,566	27,902	39,000	32,965
Other payables . . . . .	2,452	515	232	364
Accruals . . . . .	4,243	4,110	3,493	3,031
Other tax payables . . . . .	516	962	1,887	1,687
Contract liabilities ( <i>Note ii</i> ). . . . .	758	766	659	800
	7,969	6,353	6,271	5,882
	29,535	34,255	45,271	38,847

#### Notes:

- (i) Included in the trade payables, there were balances of S\$1,012,000, S\$680,000, S\$842,000 and S\$705,000 due to subsidiaries of a major shareholder of the Target Company, as at 31 December 2021, 2022, 2023 and 30 April 2024 respectively.
- (ii) As at 1 January 2021, contract liabilities amounted to S\$875,000. Contract liabilities, that are not expected to be settled within the Target Group’s normal operating cycle, are classified as current and non-current based on the Target Group’s earliest obligation to transfer goods or services to the customers. All of the carried-forward contract liabilities were recognized as revenue in the subsequent financial year when the performance obligations were satisfied.



## APPENDIX I ACCOUNTANTS’ REPORT OF THE TARGET GROUP

### The Target Company

	As at 31 December			As at 30 April
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Other payables . . . . .	1	226	656	879
Accruals . . . . .	1,164	1,059	1,071	1,144
	1,165	1,285	1,727	2,023

The credit period granted by suppliers ranged from 30 to 90 days. The aging analysis of the trade payables of the Target Group presented based on the invoice dates at the end of each reporting period is as follows:

	As at 31 December			As at 30 April
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Within 60 days . . . . .	20,651	24,717	26,567	17,135
61 to 90 days . . . . .	707	864	6,948	7,295
Over 90 days . . . . .	208	2,321	5,485	8,535
	21,566	27,902	39,000	32,965

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### 25. LEASE LIABILITIES

	As at 31 December			As at
	2021	2022	2023	30 April
	S\$'000	S\$'000	S\$'000	2024
				S\$'000
Lease liabilities payable				
Within one year . . . . .	706	434	1,207	910
More than one year, but not more				
than two years . . . . .	313	126	430	317
More than two years, but not more				
than five years . . . . .	7	66	23	16
	1,026	626	1,660	1,243
Less: Amount due for settlement				
within				
12 months shown under				
current liabilities . . . . .	(706)	(434)	(1,207)	(910)
Amount due for settlement after				
12 months shown under				
non-current liabilities . . . . .	320	192	453	333

The weighted average incremental borrowing rates applied to lease liabilities is 5%, 5%, 5% and 5% as at 31 December 2021, 2022, 2023 and 30 April 2024, respectively.

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### 26. BANK AND OTHER BORROWINGS

	As at 31 December			As at
	2021	2022	2023	30 April
	<i>S\$’000</i>	<i>S\$’000</i>	<i>S\$’000</i>	<i>S\$’000</i>
Bank borrowings				
— Unsecured and unguaranteed. . . .	1,909	1,535	1,146	1,013
Other borrowings				
— Secured and unguaranteed. . . . .	—	806	1,037	270
	<u>1,909</u>	<u>2,341</u>	<u>2,183</u>	<u>1,283</u>
The carrying amount of the bank borrowings are repayable:				
— Within one year . . . . .	374	385	366	408
— Within a period of more than one year, but not exceeding two years . . . . .	388	403	418	424
— Within a period of more than two years, but not exceeding five years . . . . .	<u>1,147</u>	<u>747</u>	<u>362</u>	<u>181</u>
	<u>1,909</u>	<u>1,535</u>	<u>1,146</u>	<u>1,013</u>
Less: Amount due within one year shown under current liabilities based on scheduled repayment dates. . . . .	<u>(374)</u>	<u>(385)</u>	<u>(366)</u>	<u>(408)</u>
Amount shown under non-current liabilities . . . . .	<u>1,535</u>	<u>1,150</u>	<u>780</u>	<u>605</u>
The carrying amount of the other borrowings are repayable:				
— Within one year . . . . .	—	806	1,037	270
Less: Amount due within one year shown under current liabilities based on scheduled repayment dates. . . . .	<u>—</u>	<u>(806)</u>	<u>(1,037)</u>	<u>(270)</u>
Amount shown under non-current liabilities . . . . .	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

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The other borrowings of the Target Group of approximately S\$806,000, S\$1,037,000 and S\$270,000 from a financial institution are secured by trade receivables amounted to approximately S\$806,000, S\$1,037,000 and S\$270,000 as at 31 December 2022, 2023 and 30 April 2024, respectively.

The bank and other borrowings as at 31 December 2021, 2022, 2023 and 30 April 2024 are fixed-rate borrowings which carrying interest at a range from 1% to 3.75% per annum.

All bank borrowings are denominated in S\$ as at 31 December 2021, 2022, 2023 and 30 April 2024. All other borrowings are denominated in United States Dollars (“US\$”) as at 31 December 2023 and 30 April 2024.

### 27. CONVERTIBLE LOAN NOTES

#### The Target Group and the Target Company

The Target Company issued US\$7,000,000 (equivalent to S\$9,393,000), 10% convertible loan notes at a par value of US\$1 each on 27 May 2022 and the subscriber is a subsidiary of the major shareholders of the Target Company. The Target Company shall repay the outstanding principal and any accrued interest in full on the earlier of (a) the date the Target Company consummates an initial public offering or the occurrence of a liquidity event and (b) the date falling 36 months from the first utilization date, excluding the portion of the loan which have been converted on or prior to such date. The convertible loan notes are denominated in US\$. The notes entitle the holders a right but not obligation to convert convertible loan notes into ordinary shares of the Target Company upon the 3<sup>rd</sup> anniversary of the issuance date, further financing, IPO or liquidity event (“**Conversion Events**”). The conversion price is 75% of the fair value of the Target Company’s share, as determined in the Conversion Events, per convertible loan note.

In April 2024, the Target Company communicated with the subscriber of convertible loan notes to confirm that it will not exercise its conversion rights of the convertible loan notes. Pursuant to a letter dated 28 June 2024 from the subscriber to the Target Company, the subscriber agreed that, on and from the execution of the Business Combination Agreement (as defined in the Circular) and for so long as the Business Combination Agreement remains in force in accordance with its terms, it will not exercise its conversion rights of the convertible loan notes, and the Target Company is not required to repay all or any part of the outstanding principal and accrued interest before the repayment date. The subscriber further agreed that on and from the closing, any conversion rights which would have arisen from the Business Combination Rights (as defined in the Circular) will be extinguished. Accordingly, there will be no early repayment or redemption, and no shares of the Target Company will be issued to the subscriber under the convertible loan notes.

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The convertible loan notes contain two components, debt component and derivative (including conversion options) component. The Target Group designated the convertible loan notes as financial liabilities at FVTPL as a whole.

The convertible loan notes are financial liabilities measured at FVTPL. The directors of the Target Company considered that the changes in the fair value of the financial liabilities attributable to the change in credit risk of the Target Group is minimal. Changes in fair value of the convertible loan notes are charged to profit or loss and presented in “other gain and loss”.

The convertible loan notes were valued by the directors of the Target Company with the assistance from an independent qualified professional valuer which has appropriate qualifications and experience in valuation of similar instruments. The Target Company used the discounted cash flow method to determine the total enterprise value and used an option pricing model to determine the underlying share value of the Target Company. A hybrid method of Binomial model is used to arrive the fair value of the convertible loan notes at the end of each reporting period. Key valuation assumptions used to determine the fair value at the end of each reporting period are as follows:

	As at 31 December		As at 30 April 2024
	2022	2023	
Share price . . . . .	S\$0.18	S\$0.18	S\$0.20
Expected volatility . . . . .	61.30%	45.64%	43.77%
Expected life . . . . .	2.41 years	1.41 year	1.08 year
Risk free rate . . . . .	2.98%	3.42%	3.55%
Expected dividend yields . . . . .	0%	0%	0%

The directors of the Target Company estimated the risk-free interest rate based on the yield of the Singapore Treasury Bonds with a maturity life close to period from the respective valuation dates to the expected conversion dates. Volatility was estimated on each valuation date based on median of historical volatilities of the comparable companies in the same industry for a period from the respective valuation dates to expected conversion dates.

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The movement of the convertible loan notes for the year/period is set out as below:

	31 December		30 April
	2022	2023	2024
	S\$’000	S\$’000	S\$’000
Carrying amount at the beginning of the year/period. . . . .	—	10,352	12,318
Issuance on 27 May 2022 . . . . .	9,393	—	—
Fair value loss (gain) charged to profit or loss . . . . .	514	940	(1,667)
Interest charge. . . . .	445	1,026	366
Carrying amount at the end of the year/period. . . . .	10,352	12,318	11,017

### 28. DEFERRED TAX LIABILITY

The following are the deferred tax liabilities recognized by the Target Group and movements during the Relevant Periods.

	Customer relationship
	S\$’000
At 1 January 2021. . . . .	2,767
Credited to profit or loss. . . . .	(811)
At 31 December 2021 . . . . .	1,956
Credited to profit or loss. . . . .	(758)
At 31 December 2022 . . . . .	1,198
Credited to profit or loss. . . . .	(700)
At 31 December 2023 . . . . .	498
Credited to profit or loss. . . . .	(231)
At 30 April 2024. . . . .	267

At 31 December 2021, 2022, 2023 and 30 April 2024, the Target Group has unused tax losses of approximately S\$23,514,000, S\$29,793,000, S\$38,939,000 and S\$40,322,000, respectively, available for offset against future profits. No deferred tax asset has been recognized due to the unpredictability of future profit streams. As at 31 December 2021, 2022, 2023 and 30 April 2024, tax losses of approximately S\$1,936,000, S\$3,813,000, S\$14,166,000 and S\$14,244,000, respectively, will be expired in one to seven years after they were incurred, all other losses may be carried forward indefinitely.

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### 29. SHARE CAPITAL

#### Authorized, issued and fully paid:

	Ordinary shares	Preference shares	Total
	'000	'000	'000
	(note 1)	(note 2)	
<b>Number of shares</b>			
At 1 January 2021, 31 December 2021,			
2022, 2023 and 30 April 2024 . . . . .	228,572	518,220	746,792
	<u>          </u>	<u>          </u>	<u>          </u>
	S\$'000	S\$'000	S\$'000
<b>Amount of share capital</b>			
At 1 January 2021, 31 December 2021,			
2022, 2023 and 30 April 2024 . . . . .	22,857	51,822	74,679
	<u>          </u>	<u>          </u>	<u>          </u>

#### Notes:

- The ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Target Company.
- The preference shares are with the below rights:
  - The preference shares do not contain any redemption or conversion features.
  - The Target Company may in its discretion, pay to the preference share holders a preference dividend at a rate that will be determined by the Target Company. Such preference dividend will be paid in priority to any dividend or distribution in favor of the holders of any other classes of shares in the Target Company.
  - In a liquidation, dissolution or winding up of, by the Target Company, preference share holders are entitled to priority for any distribution or payment in favor of holders of any classes of shares in the Target Company.
  - Preference share holders have the rights to vote at any general meeting. The preference share holders vote in respect of each preference share held, unless if in situation of:
    - Preference dividend or any part thereof is in arrears and has remained unpaid for at least 6 months after it has been declared;
    - The resolution in question varies or abrogates the right of preference shares; and
    - The resolution in question is for the winding-up of the Target Company.

### 30. SHARE-BASED PAYMENT EXPENSES

The Target Company’s share option scheme (the “**Scheme**”) was adopted pursuant to a resolution passed on 20 May 2022 for the primary purpose of providing incentives to eligible employees. Under the Scheme, the directors of the Target Company may grant options to eligible employees, including directors of the Target Company and its subsidiaries, to subscribe for shares

## APPENDIX I ACCOUNTANTS’ REPORT OF THE TARGET GROUP

in the Target Company. The options granted under the Scheme are effective for a period of 10 years commencing from 20 May 2022 and are with a vesting period of 1 to 2 years service period. The share options will be settled by the Target Company’s ordinary shares.

The following table discloses movements of the Target Company’s share option held by employees during the Relevant Periods:

Category of grantees	Date of grant	Vesting period	Number of share option			
			Balance as at 1 January 2021	Awarded during the year	Forfeited during the year	Balance as at 31 December 2021
Employees . . . . .	3 June 2022*	1 January 2021 to 31 December 2022	—	4,344,300	(1,744,825)	2,599,475
Exercisable at the end of the year . . . . .						—
Weighted average exercise price . . . . .			—	0.12	0.12	0.12
Category of grantees	Date of grant	Vesting period	Number of share option			
			Balance as at 1 January 2022	Awarded during the year	Forfeited during the year	Balance as at 31 December 2022
Employees . . . . .	3 June 2022*	1 January 2021 to 31 December 2022	2,599,475	—	(89,528)	2,509,947
Employees . . . . .	24 May 2023*	1 January 2022 to 31 December 2023	—	5,238,062	(2,225,637)	3,012,425
			2,599,475	5,238,062	(2,315,165)	5,522,372
Exercisable at the end of the year . . . . .						2,509,947
Weighted average exercise price . . . . .			0.12	0.16	0.16	0.14



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Category of grantees	Date of grant	Vesting period	Number of share option			
			Balance as at 1 January 2023	Awarded during the year	Forfeited during the year	Balance as at 31 December 2023
Employees . . . . .	3 June 2022*	1 January 2021 to 31 December 2022	2,509,947	—	—	2,509,947
Employees . . . . .	24 May 2023*	1 January 2022 to 31 December 2023	3,012,425	32,087	—	3,044,512
Employees . . . . .	15 December 2023*	1 January 2023 to 31 December 2023	—	13,376,969	(4,815,709)	8,561,260
			<u>5,522,372</u>	<u>13,409,056</u>	<u>(4,815,709)</u>	<u>14,115,719</u>
Exercisable at the end of the year . . . . .						14,115,719
Weighted average exercise price . . . . .			<u>0.14</u>	<u>0.21</u>	<u>0.21</u>	<u>0.18</u>

  

Category of grantees	Date of grant	Vesting period	Number of share option			
			Balance as at 1 January 2024	Awarded during the period	Forfeited during the period	Balance as at 30 April 2024
Employees . . . . .	3 June 2022*	1 January 2021 to 31 December 2022	2,509,947	—	—	2,509,947
Employees . . . . .	24 May 2023*	1 January 2022 to 31 December 2023	3,044,512	—	—	3,044,512
Employees . . . . .	15 December 2023*	1 January 2023 to 31 December 2023	8,561,260	—	—	8,561,260
			<u>14,115,719</u>	<u>—</u>	<u>—</u>	<u>14,115,719</u>
Exercisable at the end of the period . . . . .						14,115,719
Weighted average exercise price . . . . .			<u>0.18</u>	<u>—</u>	<u>—</u>	<u>0.18</u>

\* The options granted on 3 June 2022 and 24 May 2023 have a 2 years vesting period commenced on 1 January 2021 and 1 January 2022, respectively. The options granted on 15 December 2023 have a 1 year vesting period commenced on 1 January 2023. The Target Company and relevant employees have agreed to the share-based payment arrangement with a shared understanding of the terms and conditions on the grant date of 3 June 2022, 24 May 2023 and 15 December 2023. The Target Group recognized the share-based payments expenses since the commencement of the vesting period on which the employees to whom the options were granted have begun rendering services.

The aggregate of the estimated fair values of the options granted on 3 June 2022, 24 May 2023 and 15 December 2023 are approximately S\$361,000, S\$403,000 and S\$1,032,000, respectively.

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The fair values for options granted were calculated using the Black-Scholes pricing model. The inputs into the model are as follows:

	3 June 2022	24 May 2023	15 December 2023
Share price . . . . .	S\$0.19	S\$0.17	S\$0.18
Exercised price . . . . .	S\$0.12	S\$0.16	S\$0.21
Expected volatility . . . . .	60.24%	69.60%	63.49%
Expected life . . . . .	3 years	3 years	3 years
Risk free rate . . . . .	2.44%	2.91%	2.88%
Expected dividend yields . . . . .	0%	0%	0%

Expected volatility was determined by calculating the historical volatility of the share price of the comparable entities of Target Company over the most recent period that is commensurate with the expected life of the option. The expected life used in the model has been adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

The total expenses recognized in relation to equity-settled share-based payment transactions during the year ended 31 December 2021, 2022, 2023 and the four months ended 30 April 2023 (unaudited) and 2024 are approximately S\$174,000, S\$284,000, S\$726,000, S\$243,000 (unaudited) and nil, respectively.

### 31. RELATED PARTY DISCLOSURES

- (i) Saved as the above transactions and balances as disclosed elsewhere in the Historical Financial Information, the Target Group has following related party transactions with a subsidiary of a major shareholder of the Target Company which have significant influence over the Target Group during the Relevant Periods.

Nature of transactions	Year ended 31 December			Four months ended 30 April	
	2021	2022	2023	2023	2024
	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000
				(Unaudited)	
Services expenses . . . . .	1,549	2,014	1,594	472	353
Warehousing expenses . . . . .	325	575	642	155	93
Marketing expenses . . . . .	2,191	3,445	2,892	821	1,065
IT expenses . . . . .	22	130	247	127	62

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- (ii) The compensations to key management personnel consist mainly of directors’ emoluments as disclosed in Note 11.

### 32. RETIREMENT BENEFIT SCHEMES

As prescribed by the Central Provident Fund Board of Singapore, the Target Group’s employees employed in Singapore who are Singapore Citizens or Permanent Residents are required to join the Central Provident Fund scheme. The Target Group’s contribution rates of the eligible employees’ salaries remain the same, with each employee’s qualifying salary capped at S\$6,000 per month.

The employees of the Target Group’s subsidiaries in other jurisdictions participate in defined contribution plans in respective jurisdictions. The subsidiaries are required to contribute a certain percentage of their payroll to the defined contribution plans to fund the benefits. The only obligations of the Target Group with respect to the defined contribution plans is to make the required contributions under the respective plans.

The total costs charged to profit or loss, amounting to approximately S\$917,000, S\$1,168,000, S\$1,458,000, S\$413,000 (unaudited) and S\$434,000 for the years ended 31 December 2021, 2022, 2023 and the four months ended 30 April 2023 and 2024, respectively, represent contributions paid to the retirement benefits scheme by the Target Group.

### 33. CAPITAL RISK MANAGEMENT

The Target Group manages its capital to ensure that the group companies will be able to continue as a going concern while maximizing the return to shareholders through the optimisation of the debt and equity balance. The overall strategy remains unchanged throughout the each of the three years ended 31 December 2023 and the four months ended 30 April 2024.

The capital structure of the Target Group consists of net debt, which includes bank and other borrowings, convertible loan notes, net of cash and cash equivalents, and share capital.

The management of the Target Group reviews the capital structure regularly. As part of the review, the directors of the Target Company consider the cost and the risks associated with each class of the capital. Based on the recommendations of the management of the Target Group, the Target Group will balance its overall capital structure through issue of new shares, issue of new debt and redemption of existing debts.

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### 34. FINANCIAL INSTRUMENTS

#### Categories of financial instruments

##### The Target Group

	As at 31 December			As at 30 April
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial assets</b>				
At amortized cost . . . . .	29,424	34,303	33,405	21,282
<b>Financial liabilities</b>				
At amortized cost . . . . .	30,170	34,868	44,908	37,643
Convertible loan notes. . . . .	—	10,352	12,318	11,017

##### The Target Company

	As at 31 December			As at 30 April
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial assets</b>				
At amortized cost . . . . .	11,073	19,261	18,525	18,507
<b>Financial liabilities</b>				
At amortized cost . . . . .	1,165	1,285	1,727	2,023
Convertible loan notes. . . . .	—	10,352	12,318	11,017

#### Financial risk management objectives and policies

The Target Group’s and the Target Company’s financial instruments include advances to subsidiaries, trade and other receivables, contract assets, cash and cash equivalents, trade and other payables, lease liabilities, bank and other borrowings and convertible loan notes.

Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risks (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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### *Currency risk*

Several subsidiaries of the Target Group have sales and purchases and convertible loan notes denominated in currencies other than the functional currency of the group entity, which expose the Target Group to foreign currency risk during each of the three years ended 31 December 2023 and the four months ended 30 April 2023 (unaudited) and 2024.

The Target Group currently does not have a foreign currency hedging policy. However, management of the Target Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Target Group’s and the Target Company’s foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows:

#### **The Target Group**

	As at 31 December			As at 30 April
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets</b>				
US\$. . . . .	35	1,382	862	601
<b>Liabilities</b>				
US\$. . . . .	—	11,177	13,550	11,530

#### **The Target Company**

	As at 31 December			As at 30 April
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Liabilities</b>				
US\$. . . . .	—	10,352	12,318	11,017

The following tables details the Target Group’s and the Target Company’s sensitivity to a 10% weakening in the functional currencies of group entities against the relevant foreign currencies of respective group entities, while all other variables are held constant. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel

## APPENDIX I ACCOUNTANTS’ REPORT OF THE TARGET GROUP

and represents the management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies at the year end. For a 10% weakening of the functional currencies of group entities against the relevant foreign currencies, these would be an equal and opposite impact on loss for the year.

### The Target Group

Decrease (Increase) in loss for the year/period			
As at 31 December			As at
2021	2022	2023	30 April 2024
S\$'000	S\$'000	S\$'000	S\$'000
US\$. . . . . 4	(980)	(1,269)	(1,093)

### The Target Company

Decrease in loss for the year/period			
As at 31 December			As at
2021	2022	2023	30 April 2024
S\$'000	S\$'000	S\$'000	S\$'000
US\$. . . . . —	(1,035)	(1,232)	(1,102)

### Interest rate risk

The Target Group is exposed to fair value interest rate risk in relation to the Target Group’s fixed-rate lease liabilities, bank and other borrowings, and convertible loan notes as at 31 December 2021, 2022, 2023 and 30 April 2024. The Target Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Target Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The Target Group currently does not have interest rate risk hedging policy. However, management of the Target Group closely monitors its exposure to future cashflow interest rate risk as a result of change on market interest rate and will consider hedging changes in market interest rates should the need arise.

The directors of the Target Company consider that the overall interest rate risks for bank balances, bank and other borrowing, lease liabilities and convertible loan notes are not significant, and therefore no sensitivity analysis is disclosed.

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### *Credit risk and impairment assessment*

Credit risk refers to the risk that the Target Group’s and the Target Company’s counterparties default on their contractual obligations resulting in financial losses to the Target Group and the Target Company. The Target Group’s and the Target Company’s credit risk is primarily attributable to advances to subsidiaries, trade and other receivables, contract assets and bank balances. The Target Group and the Target Company do not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Target Group performed impairment assessment for financial assets under ECL model. Information about the Target Group’s credit risk management, maximum credit risk exposures and the related impairment assessment are summarized as below:

### *Trade receivables and contract assets arising from contacts from customers*

In order to minimize the credit risk on trade receivables and contract assets, the management of the Target Group has delegated a team responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the management of the Target Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate provisions for impairment losses are made for irrecoverable amounts on trade receivables and contract assets.

The Target Group always recognizes lifetime ECL for trade receivables and contract assets. The Target Group determines the expected credit losses on these items based on historical credit loss experience and past due status, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

As at 31 December 2021, 2022, 2023 and 30 April 2024, the Target Group provided approximately S\$88,000, S\$70,000, S\$68,000 and S\$68,000, respectively impairment allowance for trade receivables and contract assets.

### *Advances to subsidiaries/other receivables and deposits*

The management of the Target Group and Target Company make periodic individual assessment on the recoverability of significant balances based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information. As at 31 December 2021, 2022, 2023 and 30 April 2024, the Target Group assessed that the ECL for advances to subsidiaries, other receivables and deposits was insignificant.

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### *Bank balances*

The credit risk for bank balances are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. There has been no history of default in relation to these banks. The Target Group performs impairment assessment on the bank balances under 12-month ECL model. The management of the Target Group considers the risk of default is regarded as low based on the average loss rate by reference to credit ratings assigned by international credit-rating agencies. As at 31 December 2021, 2022, 2023 and 30 April 2024, the Target Group assessed that the ECL for bank balances were insignificant.

The Target Group’s and Target Company’s internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables and contract assets	Other financial assets
Low risk . . . . .	The counterparty has a low risk of default and does not have any past-due amounts.	Lifetime ECL — not credit-impaired	12-month ECL
Doubtful . . . . .	There have been significant increases in credit risk since initial recognition through information developed internally or external resources.	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss. . . . .	There is evidence indicating the asset is credit-impaired.	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off. . . . .	There is evidence indicating that the debtor is in severe financial difficulty and the Target Group has no realistic prospect of recovery.	Amount is written off	Amount is written off



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The tables below detail the credit risk exposures of the Target Group’s and financial assets which are subject to ECL assessment:

### The Target Group

				Gross carrying amount			
				As at 31 December			As at
Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	2021	2022	2023	30 April 2024
				S\$'000	S\$'000	S\$'000	S\$'000
Amortized cost							
Trade receivables . . . 20	N/A	Low risk	Lifetime ECL	8,461	7,878	8,588	5,799
		Doubtful	Lifetime ECL	7,081	10,261	8,356	8,057
		Loss	Lifetime ECL	88	70	68	68
Other receivables. . . 20	N/A	Low risk	12-month ECL	768	1,152	1,363	1,147
Contract assets . . . . 22	N/A	Low risk	Lifetime ECL	5,982	1,706	1,680	1,336
Bank balances . . . . . 23	A1-Aa2	N/A	12-month ECL	7,132	13,306	13,418	4,943

### The Target Company

					Gross carrying amount			
					As at 31 December			As at 30 April
Note	External credit rating	Internal credit rating	12-month or lifetime ECL		2021	2022	2023	2024
					S\$'000	S\$'000	S\$'000	S\$'000
Amortized cost								
Advances to subsidiaries . . . . .	20	N/A	Low risk	Lifetime ECL	11,056	19,220	18,511	18,489

As part of the Target Group’s credit risk management, the Target Group applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed on a collective basis within lifetime ECL (not credit-impaired). Credit-impaired debtors with gross carrying amounts of S\$88,000, S\$70,000, S\$68,000 and S\$68,000 as at 31 December 2021, 2022, 2023 and 30 April 2024 respectively were assessed collectively.

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	2021		2022		2023		30 April 2024	
	Trade receivables		Trade receivables		Trade receivables		Trade receivables	
	Average loss	and contract	Average loss	and contract	Average loss	and contract	Average loss	and contract
Internal credit rating	rate	assets	rate	assets	rate	assets	rate	assets
Low risk . . . . .	0.20%	14,443	0.14%	9,584	0.14%	10,268	0.14%	7,135
Doubtful . . . . .	0.50%	7,081	0.50%	10,261	0.50%	8,356	0.50%	8,057
		<u>21,524</u>		<u>19,845</u>		<u>18,624</u>		<u>15,192</u>

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

During the years ended 31 December 2021, the Target Group provided approximately S\$68,000 impairment allowance for trade receivables and contract assets; while for the years ended 31 December 2022, 2023 and the four months ended 30 April 2023 and 2024, the Target Group reversed the impairment allowance for trade receivables and contract assets of approximately S\$18,000, S\$2,000, nil (unaudited) and nil, respectively, based on collective assessment.

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The following table shows the movement in lifetime ECL that has been recognized for trade receivables and contract assets under the simplified approach.

	Lifetime ECL (not credit- impaired)	Lifetime ECL (credit-impaired)	Total
	S\$'000	S\$'000	S\$'000
At 1 January 2021 . . . . .	20	—	20
— Transfer to credit-impaired . . . . .	(20)	20	—
— Impairment loss recognized . . . . .	—	1	1
New financial assets originated net of those derecognized due to settlement . . . . .	67	—	67
At 31 December 2021 . . . . .	67	21	88
— Impairment loss reversed . . . . .	(52)	(21)	(73)
— Transfer to credit-impaired . . . . .	(15)	15	—
New financial assets originated net of those derecognized due to settlement . . . . .	55	—	55
At 31 December 2022 . . . . .	55	15	70
— Impairment loss reversed . . . . .	(41)	(15)	(56)
— Transfer to credit-impaired . . . . .	(14)	14	—
New financial assets originated net of those derecognized due to settlement . . . . .	54	—	54
At 31 December 2023 and 30 April 2024 . .	54	14	68

### Liquidity risk

As at 30 April 2024, the Target Group and the Target Company’s recorded net current liabilities of approximately S\$15,961,000 and S\$1,995,000 respectively. In the management of the liquidity risk, the Target Group and the Target Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Target Group’s and the Target Company’s operations and mitigate the effects of fluctuations in cash flows. The Target Group and the Target Company rely on issuance of convertible loan notes and bank and other borrowings as a significant sources of liquidity.

The following table details the Target Group’s and the Target Company’s remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cashflows of financial liabilities based on the earliest date on which the Target Group and the Target Company can be required to pay. The table includes both interest and principal cash flows.

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### Liquidity tables

#### The Target Group

	Interest rate	Less than 1 year	1–2 years	2–5 years	Undiscounted cash flows	Carrying amount
	%	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>As at 31 December 2021</b>						
Trade and other payables. .	—	28,261	—	—	28,261	28,261
Bank and other						
borrowings. . . . .	3.75	388	410	1,235	2,033	1,909
Lease liabilities. . . . .	5.00	741	337	8	1,086	1,026
		<u>29,390</u>	<u>747</u>	<u>1,243</u>	<u>31,380</u>	<u>31,196</u>
<b>As at 31 December 2022</b>						
Trade and other payables. .	—	32,527	—	—	32,527	32,527
Bank and other						
borrowings. . . . .	2.80	1,224	420	789	2,433	2,341
Convertible loan notes. . .	10.00	—	—	12,565	12,565	10,352
Lease liabilities. . . . .	5.00	456	136	73	665	626
		<u>34,207</u>	<u>556</u>	<u>13,427</u>	<u>48,190</u>	<u>45,846</u>
<b>As at 31 December 2023</b>						
Trade and other payables. .	—	42,725	—	—	42,725	42,725
Bank and other						
borrowings. . . . .	2.44	1,442	436	383	2,261	2,183
Convertible loan notes. . .	10.00	—	12,377	—	12,377	12,318
Lease liabilities. . . . .	5.00	1,283	485	4	1,772	1,660
		<u>45,450</u>	<u>13,298</u>	<u>387</u>	<u>59,135</u>	<u>58,886</u>
<b>As at 30 April 2024</b>						
Trade and other payables. .	—	36,360	—	—	36,360	36,360
Bank and other						
borrowings. . . . .	2.44	715	439	183	1,337	1,283
Convertible loan notes. . .	10.00	—	12,856	—	12,856	11,017
Lease liabilities. . . . .	5.00	956	333	17	1,306	1,243
		<u>38,031</u>	<u>13,628</u>	<u>200</u>	<u>51,859</u>	<u>49,903</u>

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### **The Target Company**

The financial liabilities of the Target Company represent (i) non-interest bearing other payables of S\$1,165,000, S\$1,285,000 and S\$1,727,000 and S\$2,023,000 as at 31 December 2021, 2022, 2023 and 30 April 2024, respectively, and the undiscounted cash flows for which approximate to their carrying amounts, and (ii) convertible loan notes of S\$10,352,000, S\$12,318,000 and S\$11,017,000 as at 31 December 2022, 2023 and 30 April 2024, respectively, and the undecorated cash flows for which are S\$13,079,000, S\$14,132,000 and S\$12,856,000 as at 31 December 2022, 2023 and 30 April 2024, respectively.

### **Fair value measurements of financial instruments**

Some of the Target Group’s financial instruments are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements.

### ***Fair value of the Target Group’s financial assets and financial liabilities that are measured at fair value on a recurring basis***

The Target Group’s and the Target Company’s convertible loan notes designated as financial liabilities at FVTPL are measured at fair value at 31 December 2022, 2023 and 30 April 2024 and are grouped under Level 3 hierarchy. The fair values are estimated based on binomial method, details of the valuation parameters and major assumptions used in the valuation are disclosed in Note 27. Fair value of convertible loan notes is most significantly affected by volatility. An increase in volatility would cause increase in the fair value of convertible loan notes. A 5% increase/decrease in the volatility and holding all other variables constant would increase/decrease the fair value of the convertible loan notes of the Target Group and the Target Company by S\$468,000/S\$468,000 as at 31 December 2022, S\$21,000/S\$21,000 as at 31 December 2023 and nil/nil as at 30 April 2024. There was no transfer among different levels of the fair value hierarchy during the Relevant Period.

### ***Reconciliation of Level 3 fair value measurements***

Details of reconciliation of Level 3 fair value measurement for convertible loan notes are set out in Note 27. Fair value loss of S\$514,000, loss of S\$940,000 and gain of S\$1,667,000 related to convertible loan notes held at 31 December 2022, 2023 and as at 30 April 2024, respectively, are recognized in the consolidated statements of profit or loss and other comprehensive income.

### ***Fair value of financial assets and financial liabilities that are not measured at fair value***

The management of the Target Group considers that the carrying amounts of other financial assets and financial liabilities recognized in the Historical Financial Information approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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### 35. MOVEMENT ON TARGET GROUP’S LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Convertible loan notes	Bank and other borrowings	Lease liabilities	Total
	S\$’000	S\$’000	S\$’000	S\$’000
At 1 January 2021 . . . . .	—	—	184	184
Financing cash flows . . . . .	—	1,891	(564)	1,327
New leases entered . . . . .	—	—	1,362	1,362
Finance costs . . . . .	—	18	44	62
At 31 December 2021 . . . . .	—	1,909	1,026	2,935
Financing cash flows . . . . .	9,393	343	(787)	8,949
Finance costs . . . . .	445	89	34	568
Fair value loss . . . . .	514	—	—	514
New leases entered . . . . .	—	—	353	353
At 31 December 2022 . . . . .	10,352	2,341	626	13,319
Financing cash flows . . . . .	—	(658)	(1,409)	(2,067)
Finance costs . . . . .	1,026	500	132	1,658
Fair value loss . . . . .	940	—	—	940
New leases entered . . . . .	—	—	2,311	2,311
At 31 December 2023 . . . . .	12,318	2,183	1,660	16,161
Financing cash flows . . . . .	—	(958)	(449)	(1,407)
Finance costs . . . . .	366	58	32	456
Fair value gain . . . . .	(1,667)	—	—	(1,667)
At 30 April 2024 . . . . .	<u>11,017</u>	<u>1,283</u>	<u>1,243</u>	<u>13,543</u>
At 1 January 2023 . . . . .	10,352	2,341	626	13,319
Financing cash flows (unaudited) . . . .	—	1,614	(254)	1,360
Finance costs (unaudited) . . . . .	327	174	5	506
Fair value loss (unaudited) . . . . .	313	—	—	313
At 30 April 2023 (unaudited) . . . . .	<u>10,992</u>	<u>4,129</u>	<u>377</u>	<u>15,498</u>

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### 36. PARTICULARS OF SUBSIDIARIES

During the Relevant Periods and as at the date of this report, the Target Company has direct and indirect equity interests in the following subsidiaries:

Name of subsidiaries	Principal activities	Country of incorporation and operation	Voting power held and ownership interest				
			As at 31 December			As at 30 April	As at the date of
			2021	2022	2023	2024	this report
			%	%	%	%	
Synagie Pte. Ltd ( <i>note a</i> ) . . . . .	D2C and D2B	Singapore	100	100	100	100	100
Synagie Sdn. Bhd. ( <i>note b</i> ) . . . . .	D2C and D2B	Malaysia	100	100	100	100	100
Synagie Inc. ( <i>note c</i> ) . . . . .	D2C and D2B	Philippines	100	100	100	100	100
Synagie (Vietnam) Company Limited ( <i>note d</i> ) . . . . .	D2C and D2B	Vietnam	100	100	100	100	100
Synagie (Thailand) Ltd. ( <i>note e</i> ) . . .	D2C and D2B	Thailand	97.76	97.76	97.76	97.76	97.76
Synagie (Corporation) Thailand Ltd. ( <i>note e</i> ) . . . . .	Investment Holding	Thailand	97.76	97.76	97.76	97.76	97.76
Synagie Hong Kong Limited ( <i>note f</i> ) . . . . .	D2C and D2B	Hong Kong	100	100	100	100	100
PT Synagie Ecommerce Indonesia ( <i>note g</i> ) . . . . .	D2C and D2B	Indonesia	99.6	99.6	99.6	99.6	99.6
Synagie Solution Pte Ltd ( <i>note h</i> ) . .	D2B	Singapore	n/a	100	100	100	100
Synagie Supply Chain Pte Ltd ( <i>note h</i> ) . . . . .	D2B	Singapore	n/a	100	100	100	100
Synagie Corporation Spain S.L. ( <i>note h</i> ) . . . . .	D2C and D2B	Spain	n/a	100	100	100	100
Enversiv Limited ( <i>note h</i> ) . . . . .	D2B	Hong Kong	n/a	100	100	100	100
Enversiv Sdn Bhd ( <i>note h</i> ) . . . . .	D2B	Malaysia	n/a	100	100	100	100

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*Notes:*

- (a) The statutory financial statements of this entity for the years ended 31 December 2021, 2022 and 2023 were prepared in accordance with Singapore Financial Reporting Standards and were audited by Deloitte & Touche LLP, a certified public accountant registered in the Singapore.
- (b) The statutory financial statements of this entity for the years ended 31 December 2021, 2022 and 2023 were prepared in accordance with relevant Malaysian Financial Reporting Standards and were audited by Deloitte Touche Tohmatsu Limited, a certified public accountant registered in Malaysia.
- (c) The statutory financial statements of this entity for the years ended 31 December 2021, 2022 and 2023 were prepared in accordance with relevant Philippine Financial Reporting Standards and were audited by Navarro Amper & Co, a certified public accountant registered in the Philippines.
- (d) The statutory financial statements of this entity for the years ended 31 December 2021, 2022 and 2023 were prepared in accordance with relevant Vietnamese Financial Reporting Standards and were audited by Deloitte Vietnam Co., Ltd., a certified public accountant registered in Vietnam.
- (e) The statutory financial statements of this entity for the years ended 31 December 2021, 2022 and 2023 were prepared in accordance with relevant Thai Financial Reporting Standards and were audited by Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., a certified public accountant registered in Thailand.
- (f) The statutory financial statements of this entity for the years ended 31 December 2021, 2022 and 2023 were prepared in accordance with relevant Hong Kong Financial Reporting Standards and were audited by BDO Limited, a certified public accountant registered in Hong Kong.
- (g) The statutory financial statements of this entity for the years ended 31 December 2021, 2022 and 2023 were prepared in accordance with relevant Indonesian Financial Reporting Standards and were audited by Tanubrata Sutanto Fahmi Bambang & Rekan, a certified public accountant registered in Indonesia.
- (h) These entities are not subject to statutory audit since incorporation because they are either exempted from statutory audit requirement under the relevant local regulations or they incorporated in the jurisdictions where there is no statutory audit requirements.

None of the subsidiaries had issued any debt securities at 31 December 2021, 2022, 2023 and 30 April 2024.



## APPENDIX I ACCOUNTANTS’ REPORT OF THE TARGET GROUP

### 37. CAPITAL COMMITMENTS

	As at 31 December			As at 30 April
	2021	2022	2023	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Capital expenditure in respect of the acquisition of property and equipment contracted for but not provided in the Historical Financial Information . . . . .	417	471	95	505

### 38. EVENT AFTER THE REPORTING PERIOD

Five private investment in public equity (“PIPE”) investors had entered into investment agreements with the Target Company, pursuant to which such PIPE investors had provided an investment loan facility to the Target Company for an aggregate principal amount of S\$10,600,000 in May 2024 and which further provided that such PIPE Investors could subscribe for shares as a PIPE investor where the Target Company participated in a de-SPAC transaction. The rate of interest on the principal amount under the investment agreements is 1.25% per month, and the principal amount and the accrued interest will be repaid within 37 months from the respective date of the investment agreements. As at the date of this report, the PIPE investors had signed the respective PIPE investment agreements with the Target Company, which provide that the payment obligations of the investment amount of each of the PIPE investors under the PIPE investment agreements shall be deemed to be satisfied upon the assignment of the principal and all accrued interest (regardless whether the closing will occur within nine months from the date of the investment agreements) owing by the Target Company to these PIPE Investors, effective upon closing of the PIPE investments agreements.

On 28 June 2024, the Target Company entered into the business combination agreement with the Company in relation to the De-SPAC Transaction; and the PIPE Investment Agreements with the Company and certain investors in relation to the PIPE investments.

On 2 October 2024, the Target Company had granted (i) bonus share awards in respect of an aggregate of 53,926,868 ordinary shares of the Target Company; and (ii) options in respect of an aggregate of 38,819,904 ordinary shares of the Target Company to management and employees of the Target Group, under the Scheme which was amended and restated on 28 June 2024 and 20 September 2024 by the board of directors of the Target Company.

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**39. SUBSEQUENT FINANCIAL STATEMENTS**

No audited financial statements of the Target Group, the Target Company or any of its subsidiaries have been prepared in respect of any period subsequent to 30 April 2024.