



**LION ASIAPAC LIMITED**  
(CO. REG. NO. 196800586F)



**2024**  
**Annual**  
**Report**

# CONTENTS

<u>01</u>	Corporate Information	<u>47</u>	Statements of Financial Position
<u>02</u>	Chairman's Message	<u>48</u>	Statements of Changes in Equity
<u>04</u>	Corporate Structure	<u>50</u>	Consolidated Statement of Cash Flows
<u>05</u>	Board of Directors	<u>52</u>	Notes to the Financial Statements
<u>09</u>	Key Management	<u>91</u>	Annexure – Renewal of Interested Person Transactions Mandate
<u>10</u>	Financial Highlights	<u>104</u>	Interested Person Transactions
<u>11</u>	Corporate Governance Report	<u>105</u>	Shareholding Statistics
<u>36</u>	Summary of Sustainability Report 2024	<u>107</u>	Notice of 54 <sup>th</sup> Annual General Meeting
<u>37</u>	Statement by Directors	<u>112</u>	Additional Information on Directors Seeking Re-Election
<u>40</u>	Independent Auditor's Report		Proxy Form
<u>46</u>	Consolidated Statement of Profit or Loss and Other Comprehensive Income		





# CORPORATE INFORMATION

## Board of Directors

Sam Chong Keen, Chairman  
Loh Kgai Mun, Executive Director  
Chai Woon Chew  
Tan Sri Cheng Heng Jem  
Koong Lin Loong  
Lee Whay Keong  
Lim Mooi Lang

## Audit Committee

Sam Chong Keen, Chairman  
Chai Woon Chew  
Koong Lin Loong  
Lee Whay Keong  
Lim Mooi Lang

## Nominating Committee

Sam Chong Keen, Chairman  
Chai Woon Chew  
Koong Lin Loong  
Lee Whay Keong  
Lim Mooi Lang

## Remuneration Committee

Sam Chong Keen, Chairman  
Chai Woon Chew  
Koong Lin Loong  
Lee Whay Keong  
Lim Mooi Lang

## Company Secretaries

Gan Chi Siew  
Silvester Bernard Grant

## Registered Office

10 Arumugam Road  
#10-00 LTC Building A, Singapore 409957  
Tel: +65 6632 0500  
Website: [www.lionasiapac.com](http://www.lionasiapac.com)

## Share Registrar

B.A.C.S. Private Limited  
77 Robinson Road  
#06-03 Robinson 77, Singapore 068896  
Tel: +65 6593 4848

## Independent Auditor

RSM SG Assurance LLP  
8 Wilkie Road  
#03-08 Wilkie Edge, Singapore 228095  
Tel: +65 6533 7600 | Fax: +65 6538 7600

Partner-in-charge: Eu Chee Wei David  
(since financial year 2020)

## Principal Banker

Malayan Banking Berhad  
2 Battery Road  
16<sup>th</sup> Floor Maybank Tower, Singapore 049907

## Lawyer

WongPartnership LLP  
12 Marina Boulevard Level 28  
Marina Bay Financial Centre Tower 3, Singapore 018982  
Tel: +65 6416 8000 | Fax: +65 6532 5711



# CHAIRMAN'S MESSAGE



## Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report for the financial year ended 30 June 2024 ("FY 2024").

In August 2023, the Group acquired a roofing solutions business for recurring revenue and profits.

## Financial Performance

The Group recorded a revenue of S\$41.2 million, up by 36% from last year, comprising S\$14.0 million from roofing solutions supply, S\$15.5 million from lime sales and S\$11.7 million from trading of steel consumables and mining equipment. The Group reported a profit after tax of S\$1.5 million against a loss after tax of S\$3.0 million last year.

## Financial Position

The balance sheet remains healthy, with working capital of S\$54.5 million and net assets of S\$60.4 million at year-end.

## Dividend

The Board will not recommend any dividend for FY 2024 as the Board considered it necessary to conserve cash for future operations in view of the Group's business strategy.



## CHAIRMAN'S MESSAGE



### Moving Forward

On the proposed disposal of Compact Energy Sdn Bhd ("Compact"), 1207791 B.C. Limited (the "Purchaser") has commenced arbitration proceedings against the Company at the Singapore International Arbitration Centre based on a dispute arising out of a Share Purchase Agreement ("SPA") dated 1 September 2023.

The Purchaser is primarily seeking a declaration that the cut-off date in the SPA has been extended and the provisions contained therein remain in full force and in effect, as well as an order for the Company to convene an extraordinary general meeting for the purpose of seeking shareholders' approval for the sale of the Company shares in Compact to the Purchaser. In the alternative, the Purchaser is seeking damages for the Company's alleged breach of the SPA (the "Arbitration Claim"). The damages have not been quantified by the Purchaser and are not reasonably estimable at this stage.

The Company has engaged and is in consultation with legal advisers in relation to the Arbitration Claim and will take all steps necessary to defend the Arbitration Claim.

As the economic outlook continues to be uncertain, the Group will continue to exercise prudence in managing any challenges and will take advantage of any new opportunities that may arise.

### Acknowledgment

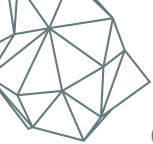
I wish to express my heartfelt appreciation to the management and staff for their dedication and hard work which enable the Group to deliver a set of positive results in FY 2024.

I am grateful to our customers, suppliers, and business associates for their continual support and confidence in us.

I wish to express my gratitude and appreciation to my Board colleagues for their support and valuable guidance to the Group. Special thanks goes to Mr Lee Whay Keong, who will be retiring from the Board on 30 October 2024, for his invaluable contribution and wise counsel.

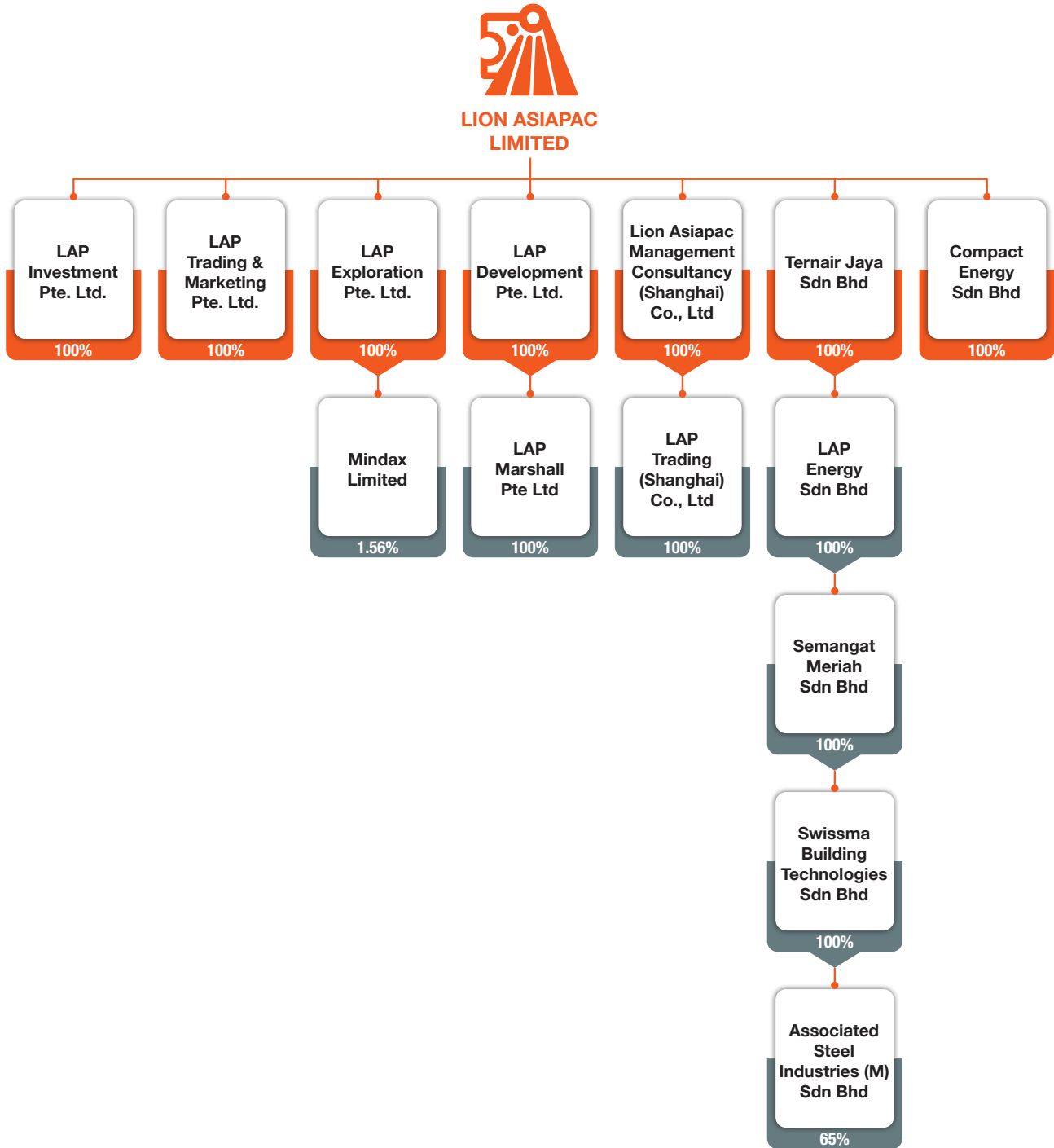
Above all, I would like to thank our loyal shareholders for their continuous unwavering support during this challenging period and look forward to a successful 2025. I will be stepping down as Chairman following the 54<sup>th</sup> Annual General Meeting. It has been a privilege and honour to serve as your Chairman since 2017.

### Sam Chong Keen



# CORPORATE STRUCTURE

AS AT 16 SEPTEMBER 2024





## BOARD OF DIRECTORS



**MR SAM CHONG KEEN, 71**  
*Chairman & Independent Non-executive Director*

Mr Sam Chong Keen, an Independent Non-executive Director of the Company, assumed the position of Chairman of the Board on 8 May 2017 and was last re-elected as a Director of the Company on 30 November 2021. He also chairs the Audit Committee, Nominating Committee and Remuneration Committee. He will seek re-election at the forthcoming 54<sup>th</sup> Annual General Meeting to be held on 30 October 2024 according to Article 98 of the Constitution of the Company.

Appointed to the Board on 22 February 1997, Mr Sam served as the Company's Managing Director till 31 May 2002. Concurrently, he was the Chief Executive Officer and Executive Vice-Chairman of LTC Corporation Limited.

Mr Sam has a wealth of management experience, having held senior/CEO positions in the Singapore Government Administrative Service, National Trades Union Congress (NTUC), Intraco Limited, Comfort Group Ltd, VICOM Ltd, A-Smart Holdings Ltd., and Emerging Towns & Cities Singapore Ltd.

Mr Sam currently sits on the boards of other publicly listed companies. He is an Independent Non-executive Director in A-Smart Holdings Ltd., SMI Vantage Limited, Parkson Retail Asia Limited and a Non-independent Non-executive Chairman of Stamford Tyres Corporation Limited.

Mr Sam was the Political Secretary to the Minister for Education from 1988 to 1991. He has served on various government boards and committees, including the Central Provident Fund Board and the National Co-operative Federation.

Mr Sam holds a Bachelor of Arts (Engineering Science and Economics) (Honours) degree and a Master of Arts degree from the University of Oxford, as well as a Diploma from the Institute of Marketing, United Kingdom.



**MR LOH KGAI MUN, 64**  
*Executive Director*

Mr Loh Kgai Mun joined the Board as an Executive Director on 8 August 2008 and was last re-elected as a Director of the Company on 31 October 2023.

Mr Loh has a wealth of management experience in multi-national organisations and listed companies. In his previous role as Group General Manager, he oversaw the administrative, financial, operational and compliance functions of the Group. He joined the Lion Group as the Financial Controller of its Telecommunications division. Concurrently, he also headed the Group Internal Audit and Group Information Technology divisions in Singapore.

Mr Loh was the Chairman of the Audit Committee, and an Independent Director of Mindax Limited, a public company listed in Australia.

Mr Loh holds a Master of Business Administration degree from the University of Edinburgh Business School and is an Associate Member of the Institute of Chartered Accountants in England and Wales.

## BOARD OF DIRECTORS



**TAN SRI CHENG HENG JEM, 81**  
*Non-executive Director*

Tan Sri Cheng Heng Jem joined the Board as a Non-executive Director on 7 September 2010 and was last re-elected as a Director of the Company on 31 October 2022.

Tan Sri Cheng has more than 60 years of experience in the business operations of the Lion Group, a Malaysia-based diversified business group encompassing steel, mining, retail, property and industrial parks, agriculture, financial services, tyre manufacturing, motor vehicle assembly, brewery and computer industries. He oversees the operations of Lion Group and is responsible for the formulation and monitoring of the overall corporate strategic plans and business development of the Group.

Tan Sri Cheng is the Chairman and Managing Director of Parkson Holdings Berhad, the Managing Director of Lion Industries Corporation Berhad and the Chairman of Lion Posim Berhad, all of which are public companies listed in Malaysia. He is also the Executive Chairman of Parkson Retail Asia Limited, a public company listed in Singapore, and the Executive Director and Chairman of Parkson Retail Group Limited, a public company listed in Hong Kong. He is also a Founding Member and a Permanent Trustee of The Community Chest, a Malaysian company limited by guarantee established by the private sector for charity purposes.

Tan Sri Cheng was the President of The Associated Chinese Chambers of Commerce and Industry of Malaysia ("**ACCCIM**") and The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor ("**KLSCCCI**") from 2003 to 2012 and is now a Life Honorary President of ACCCIM and KLSCCCI. He was also the President of the Malaysia Retailers Association ("**MRA**") from May 2016 to May 2018, and was its Honorary President from June 2018 to July 2020. He was again appointed the President of MRA from July 2020 to May 2022 and in June 2022, he was appointed an Honorary President of MRA. He was the Chairman of the Federation of Asia-Pacific Retailers Associations from October 2017 to September 2019, and was its Vice Chairman from September 2019 to November 2022. He is a Trustee of ACCCIM's Socio-Economic Research Trust and the President of the Malaysia Steel Association.



**MR CHAI WOON CHEW, 66**  
*Independent Non-executive Director*

Mr Chai Woon Chew was appointed as an Independent Non-executive Director on 31 December 2021 and was last re-elected as a Director of the Company on 21 October 2022. He also serves as a member of the Audit Committee, Nominating Committee and Remuneration Committee.

Mr Chai is a partner of Messrs Michael Chai & Co., Advocates & Solicitors, Kuala Lumpur. He is currently a Non-independent Non-executive Director of KKB Engineering Berhad, a public company listed in Malaysia. He also sits on the Board of Parkson Retail Asia Limited as an Independent Non-executive Director, a public company listed in Singapore.

Mr Chai holds a Bachelor of Laws (Honours) degree from the University of Buckingham, a Bachelor of Science (Honours) degree in Chemistry from the University of Surrey, United Kingdom. He is a qualified Barrister-at-Law from Lincoln's Inn, England. Mr Chai was called to the Bars in Malaysia and Singapore.





## BOARD OF DIRECTORS



**MR KOONG LIN LOONG, 60**  
*Independent Non-executive Director*

Mr Koong Lin Loong was appointed as an Independent Non-executive Director of the Company on 16 August 2024. He also serves as a member of the Audit Committee, Nominating Committee and Remuneration Committee. He will seek re-election at the forthcoming 54<sup>th</sup> Annual General Meeting to be held on 30 October 2024 according to Article 104 of the Constitution of the Company.

Mr Koong is currently the Managing Partner of Reanda LLKG International, Chartered Accountants. He is the President of Southeast Asia & South Asia Region of Reanda International Network and the Chairman of its International Tax Panel. He is a member of the Practice Review Committee of MIA. He is an Independent Non-executive Director of Parkson Retail Group Limited, a public company listed in Hong Kong.

Mr Koong is a practising Auditor of the Ministry of Finance in Malaysia, the Treasurer of the ACCCIM cum Chairman of its Small & Medium Enterprises (SMEs) Committee. He is a Board member of SME Corporation Malaysia under the Ministry of Entrepreneur & Cooperatives Development (MECD), a Board member of The Credit Counselling and Debt Management Agency (AKPK) under the Central Bank of Malaysia, and a member of Sales & Services Tax Technical Committee of Royal Malaysian Customs Department.

Mr Koong is a qualified member of ASEAN Chartered Professional Accountants (ASEAN CPA), the Malaysian Institute of Accountants (MIA), the Certified Practising Accountants Australia (CPA Australia), the Malaysian Institute of Certified Public Accountants (MICPA), the Institute of Internal Auditors Malaysia and Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA), and a fellow member of the Chartered Tax Institute of Malaysia (CTIM) and Chartered Institute of Management Accountants in the United Kingdom (CIMA). He is an associate member of the Malaysian Association of Company Secretaries.



**MR LEE WHAY KEONG, 68**  
*Non-executive Director*

Mr Lee Whay Keong joined the Board as a Non-executive Director on 7 September 2010 and was last re-elected as a Director of the Company on 30 November 2021. He also serves as a member of the Audit Committee, Nominating Committee and Remuneration Committee.

Mr Lee is currently the Senior General Manager/Personal Assistant to the Group Executive Director (“**GED**”) in the Lion Group. He joined the Lion Group in 1986. His responsibilities include advising and assisting the GED on governmental, corporate, strategic, joint venture, accounting and corporate finance matters.

Mr Lee’s main duties involve assisting the GED in overseeing some of the Lion Group’s subsidiaries and in corporate transactions involving businesses and companies of the Lion Group. Mr Lee also manages the operations of Lion Waterway Logistics Sdn Bhd, a logistics company, and Lion Titco Resources Sdn Bhd which is a slag processing company.

Mr Lee is a Commissioner of PT Lion Metal Works TBK, a public company listed in Indonesia.

Mr Lee holds a Bachelor of Science (Honours) degree and a Diploma in Education from the University of Malaya and a Master of Business Administration (Banking and Finance) degree from North Texas State University.



## BOARD OF DIRECTORS



### **MS LIM MOOI LANG, 56**

*Non-executive Director*

Ms Lim Mooi Lang was appointed as a Non-executive Director of the Company on 16 August 2024. She also serves as a member of the Audit Committee, Nominating Committee and Remuneration Committee. She will seek re-election at the forthcoming 54<sup>th</sup> Annual General Meeting to be held on 30 October 2024 according to Article 104 of the Constitution of the Company.

Ms Lim is a member of both the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. With more than 30 years of experience in accounts and taxation, she has an extensive background in the field. She spent 3 years working in the UK before rejoining the Lion Group in 1998. She currently serves as the General Manager of Tax in the Finance Division, where she is actively involved in the Group's corporate exercises, including restructuring, mergers, acquisitions, and divestments.

Ms Lim is currently an Independent Non-executive Director of Greentech Technology International Limited, a public company listed in Hong Kong.

Ms Lim graduated from the University of Malaya with a Bachelor of Accounting degree in 1993.



# KEY MANAGEMENT

## LOW PING HING

*Managing Director  
Metal Roofing Division*

Mr Low Ping Hing joined Swissma Building Technologies Sdn Bhd in December 2002 as the General Manager. He heads the Group's metal roofing operation in Malaysia.

He started his career as a structural design engineer in an engineering consultancy firm, before venturing into the metal roofing industry in 1988. He has since accumulated vast experiences, including sales, marketing, project management, and provided technical advisory for metal roofing solutions.

Mr Low is a member of the Technical Committee in SIRIM which formulates the Malaysia Standard MS2523:2013 titled Metal sheet roof and wall cladding: Test method.

Mr Low holds a Bachelor of Civil Engineering degree from Monash University, Australia.

## ALEX PANG KEE ANN

*Senior Manager, Marketing  
Metal Roofing Division*

Mr Alex Pang Kee Ann has over 20 years of experience in the metal roofing industry and architecture. He joined Swissma Building Technologies Sdn Bhd in October 2004 as Marketing Manager, leading the marketing team in developing strategies, technical specifications, and marketing plans to meet sales and profit targets.

Before entering the metal roofing sector, he worked for six years as a professional architect. His diverse expertise spans sales, marketing, project management, and technical advisory roles.

Mr Pang is also a member of SIRIM's Technical Committee for Malaysia's MS2500:2012 roofing standards and contributed to the National Occupational Skill Standard (NOSS) for metal roofing with CIDB Malaysia.

Mr Pang holds a Bachelor of Architecture degree from Curtin University of Technology, Perth, Australia.

## WONG MIN SEONG

*Assistant General Manager  
Lime Sales Division*

Mr Wong Min Seong joined Compact Energy Sdn Bhd in 2007 as Assistant General Manager. He heads the Group's lime operation in Malaysia.

He joined the Lion Group as an Assistant General Manager at Megasteel Sdn Bhd. Prior to that, he was the Plant Manager at Natsteel Chemicals (M) Sdn Bhd and was responsible for quicklime production and maintenance of its plant.

Mr Wong holds a Class 2 Engineer Certificate of Competency Examination (equivalent to a Bachelor's degree) from Jabatan Laut Malaysia and a Diploma in Marine Mechanical Engineering from Polytechnic Ungku Omar, Ipoh.

## LEE CHEE CHING

*Senior Manager, Finance  
Metal Roofing Division*

Mr Lee Chee Ching joined Swissma Building Technologies Sdn Bhd in December 2006 as Finance Manager. He heads the Finance Department and is responsible for financial accounting and reporting, treasury control, and taxation of the Group.

Prior to joining the Group, he was Finance Manager at Goodway Rubber Industries Sdn Bhd and United Vehicles Industries Sdn Bhd, and Management Accountant at Boral Wall System Sdn Bhd. He started his career at Multi-Purpose Bank Berhad (previously known as Malaysian French Bank Berhad) in 1995, where he left as Senior Officer.

Mr Lee holds a Bachelor of Accounting degree from Edith Cowan University, Western Australia. He is a Certified Practising Accountant of the CPA Australia and also a Chartered Accountant of the Malaysian Institute of Accountants.

## GAN CHOON CHING

*Group Accountant  
Corporate Division*

Mr Gan Choon Ching joined the Group in 2022 as a Group Accountant. He heads the Finance Department and is responsible for financial accounting and reporting, treasury control, and taxation of the Group.

Prior to joining the Group, he was the Finance Manager at YHI International Limited and Senior Accountant at Ryobi Kiso Holding Limited. He started his career at Crowe Horwath, LLP in 2006, where he left as a Senior Auditor.

Mr Gan holds a Bachelor of Accounting degree from University of Utara Malaysia and is a Chartered Accountant of the Malaysian Institute of Accountants.



# FINANCIAL HIGHLIGHTS

## RESULTS OF OPERATIONS

FINANCIAL YEAR ENDED 30 JUNE	FY2024 S\$'000	FY2023 S\$'000
Sales	41,193	30,357
Gross Profit %	16.3	4.7
Profit before income tax	1,534	(2,903)
Net profit %	3.5	(9.9)
EBITDA	3,025	(2,249)

## FINANCIAL POSITION

AS AT 30 JUNE	FY2024 S\$'000	FY2023 S\$'000
Current assets	67,689	60,496
Non-current assets	6,978	4,398
Total assets	74,667	64,894
Current liabilities	12,652	5,444
Non-current liabilities	1,571	1,191
Total liabilities	14,223	6,635
Net assets	60,444	58,259
Total equity	60,444	58,259

## FINANCIAL INDICATORS

	FY2024	FY2023
Return on shareholders equity (%)	2.4	(4.6)
Earnings per share (cents)	1.88	(3.70)
Dividend per share (cents)	–	10
Cash and bank balances (S\$'000)	42,340	48,046
Current ratio	5.4	11.1



# CORPORATE GOVERNANCE REPORT

Lion Asiapac Limited (the “**Company**”) aspires to maintain a high standard of corporate governance and is committed to corporate self-regulatory practices in protecting the interests of its shareholders.

The Company has complied with Rule 710 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual by disclosing in this Annual Report its corporate governance practices with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”). Where there are deviations from the principles and provisions in the Code, the Company’s position and reasons are explained.

## BOARD MATTERS

### Principle 1 – The Board’s conduct of affairs

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

### Principal duties of the Board

The Board oversees the strategic direction, performance and business of the Group. It provides entrepreneurial leadership, sets strategic aims, considers sustainability issues, and ensures necessary financial and human resources are in place for the Group to meet its objectives. The Board reviews and approves the Group’s annual business plan, including the annual budget, and capital expenditure plans as well as constructively challenges senior management (the “**Management**”) on strategic options and planning processes. The Board reviews major investments and divestments and ensures that decisions and investments are consistent with the long-term strategic goals of the Company and Group, in the interests of the Company and its shareholders.

### Board roles and duties

The Board assumes responsibility for good corporate governance. It sets the tone for the group where values and ethics are concerned. The Board reviews the corporate governance framework, the Code of Conduct, business objectives, and strategies periodically to ensure that they remain relevant and effective.

The Board exercises due diligence and objectively discharges its duties and responsibilities in the Company’s best interests. Directors, directly or indirectly, interested in a transaction or proposed transaction, declare their interests and in the case of any conflicts of interest (actual or potential), recuse themselves from participating in the deliberations and abstain from decision-making on such transactions. Their abstentions were recorded in the minutes and/or the resolutions of the Board and/or the Board Committees.

The Board monitors the Group’s performance, position and prospects, supervises and reviews Management’s performance against agreed goals and objectives, and satisfies themselves that the Group’s businesses are managed properly and are in accordance with the Company’s Code of Conduct. It establishes a framework of prudent and effective controls that enables risks to be assessed and managed, including safeguarding shareholders’ interests and the Group’s assets. It sets the Company’s values and standards, identifies the key stakeholder groups, and recognises that their perceptions affect the Company’s reputation, ensuring that obligations to shareholders and other stakeholders are understood and met.

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

- (a) providing leadership, reviewing, approving, and overseeing the implementation of the Company’s strategic direction and overall business objectives as well as the organisational structure of the Group and ensuring that resources are in place for the Group to meet its objectives;
- (b) reviewing and approving the Group’s annual business plan, including the annual budget, operational and capital expenditure plans as well as constructively challenging Management on the strategic options and planning process;



# CORPORATE GOVERNANCE REPORT

- (c) ensuring that the Company is operated in accordance with the relevant laws and regulations, as well as policies, processes, and guidelines approved by the Board, to preserve its financial integrity;
- (d) reviewing material acquisition and disposal of assets of the Group;
- (e) meeting regularly with Management, including key persons in control job functions, discussing and reviewing critically the decisions made, the information provided, and any explanations given by Management and key persons in control job functions, relating to the business and operations of the Company and the Group;
- (f) monitoring the Group's performance, position and prospects and reviewing the performance of Management against agreed goals and objectives, and satisfying themselves that the Group's businesses are properly managed;
- (g) reviewing the adequacy and effectiveness of the Group's risk management and internal controls framework (including establishing risk appetite, parameters and internal control systems which include financial, operational, compliance and information technology controls and management systems) to safeguard the shareholders' investments and the Company's assets;
- (h) effectively monitoring and managing risks, achieving an appropriate balance between risks and the Company's performance;
- (i) ensuring that Management observes the Code of Conduct as applied to them;
- (j) ensure the Code of Conduct and ethics as well as the culture and conduct framework, emphasising integrity, honesty and proper conduct at all times, with respect to internal dealings and external transactions, including situations where there are potential conflicts of interest;
- (k) formulating strategies, taking into consideration sustainability issues such as environmental and social factors, and reviewing and approving all material environmental, social and governance issues and the sustainability strategy;
- (l) reviewing and approving the release of the Group's financial results and a variety of other strategic initiatives tabled by Management; and
- (m) ensuring transparency and accountability to key stakeholders.

## Board orientation and training

A formal letter of appointment, setting out the duties and obligations, is provided to all new directors upon appointment. As part of induction, information on the Group's structure, business operations, and governance policies and practices are provided. The new directors will be invited to visit the Group's plants for a greater appreciation of its operations. For a first-time director who has no prior experience as a director of a listed company, such director is to undergo training on the roles and responsibilities of a director of listed companies as prescribed by the SGX-ST, unless the Nominating Committee (the "NC") determines that such training is not required because the director has other relevant experience. Where such an assessment is made by the NC, the reasons are disclosed in the announcement made on the appointment of the director.



# CORPORATE GOVERNANCE REPORT

As part of the Board renewal process, the Board appointed Mr Koong Lin Loong as an independent director of the Company and Ms Lim Mooi Lang as a non-executive director of the Company with effect from 16 August 2024. The Chairman and the executive director briefed the new directors on the Group's business activities, strategic direction, and key business risks as well as statutory and other duties and responsibilities as directors. In addition, The Board believes that Mr Koong and Ms Lim, with their wealth of experience and qualifications, will be able to provide new perspectives as well as contribute to the core competencies of the Board. Mr Koong is not related to any of the directors and controlling shareholders of the Company.

The Board is routinely updated on pertinent developments in the business, including changes in laws and regulations, corporate governance practices, risk management, financial reporting standards, and industry-related matters, by professional advisers, auditors, Management, and the company secretary to enable the directors to discharge their duties effectively. The Board is also regularly kept informed by the company secretary of the availability of relevant courses, conferences and seminars, including those conducted by the Singapore Institute of Directors. In addition, the Company will fund directors' participation at industry conferences, seminars, or any training programme conducted by external professionals, to allow them to continue fulfilling their roles as Board members and Board Committee members effectively.

## Board approval

The Board reviews and approves strategic plans, key operational and financial matters, major acquisition and divestment plans, major expenditure projects, and funding decisions. The Board approves transactions exceeding certain threshold limits while delegating authority for transactions below the threshold limits to the Board Committees and Management to optimise operational efficiency. Directors who have a potential conflict of interest in a particular transaction are abstained from participating in the relevant Board discussions and decisions.

## Delegation by the Board

While the Board has the ultimate responsibility for the affairs of the Company, it has established several Board Committees to assist in carrying out more effectively its oversight of the operations and affairs of the Company and Group. These Board Committees consist of the Audit Committee ("AC"), NC, and Remuneration Committee ("RC"). Each Board Committee has its terms of reference setting out the scope of its duties and responsibilities, and procedures governing the way it is to operate and how decisions are to be taken. Any change to the terms of reference of any Board Committee requires the Board's approval. Each committee reports key matters to the Board at the Board meetings. The delegation by the Board to the committees enables the Board to achieve operational efficiency. The Board Committees were empowered to decide, review, and make recommendations on matters within their respective written terms of reference without abdicating the Board's overall responsibilities.

## Meetings and attendance

The Board and Board Committees meet regularly to discuss strategy, operational matters and governance issues. Meetings are scheduled well in advance each year to maximise participation. Ad hoc meetings may be called where circumstances warrant. The Company's Constitution allows meetings to be held by electronic means or telephone. Barring unforeseen circumstances, directors are expected to attend all Board and Board Committee meetings. Directors will still receive all the meeting materials even though they are unable to attend meetings. They are encouraged to advise the Chairman of their views and comments on the matters so that the Chairman may convey to other members at the meetings.



# CORPORATE GOVERNANCE REPORT

The number of meetings attended by the directors during the financial year ended 30 June 2024 is set out as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee	General Meeting
<b>Total number of meetings held</b>	<b>8</b>	<b>9</b>	<b>1</b>	<b>1</b>	<b>1</b>
	<b>Number of Meetings Attended</b>				
Sam Chong Keen <sup>(1)</sup>	8	9	1	1	1
Loh Kgai Mun	8	N.A.	N.A.	N.A.	1
Chai Woon Chew	8	9	1	1	1
Tan Sri Cheng Heng Jem	7	N.A.	N.A.	N.A.	1
Lee Whay Keong <sup>(2)</sup>	8	9	1	1	1

## Notes:

- (1) Mr Sam Chong Keen will seek re-election at the Company's 2024 annual general meeting ("AGM"). He will not be considered independent following the conclusion of the AGM therefore he will be re-designated as a non-executive director of the Company. Following his re-designation, he will cease to be Chairman of the Board, AC, NC, and RC.
- (2) Mr Lee Whay Keong will retire as a non-executive director following the conclusion of the Company's 2024 AGM. Consequent to his retirement, he will cease to be a member of the AC, NC, and RC.

## Access to information

The Company adopts initiatives to put in place processes to ensure directors are well supported by accurate, complete and timely information. Explanatory notes or reports on major operational, financial and corporate issues, together with copies of disclosure documents and/or financial statements, are circulated to the directors at least one week prior to the meetings to facilitate informed decision-making. For matters requiring approval, information provided by Management usually includes background explanatory information, relevant facts and analysis supporting the proposal, financial impact, other implications or merits, risk analysis and mitigating strategies, and management recommendations. Relevant management executives are invited to attend the Board meetings to provide additional information and insight or to provide clarifications on queries raised.

## Access to Management, company secretary, and professional advice

Directors have separate and independent access to the Management. Other than Board and Board Committee meetings, directors can approach Management to discuss and review the business and operations of the Group. Directors may take independent professional advice at the Company's expense as and when necessary to enable them to discharge their duties effectively.

Directors also have separate and independent access to the company secretary. The company secretary, whose appointment and removal are subject to the Board's approval, attended all Board and Board Committee meetings during FY 2024. She, together with the Management, ensures that the Company complies with applicable rules and regulations. She also manages the Group's compliance with the requirements of the Companies Act 1967 ("**Companies Act**"), rules of the SGX-ST Listing Manual, and other applicable regulations. In addition, the company secretary facilitates information flows between the Board and Board Committees and between the Management and the Board, and where necessary, manages orientations and assists in professional development.





# CORPORATE GOVERNANCE REPORT

## Principle 2 – Board composition and guidance

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

### Board composition

The Board comprises seven directors, six are non-executive directors (including three independent directors) and an executive director. Eight Board meetings were held in FY 2024.

The members of the Board are as follows:

#### Non-executive

Sam Chong Keen (*Chairman, independent director*)  
Chai Woon Chew (*Independent director*)  
Tan Sri Cheng Heng Jem  
Koong Lin Loong (*Independent director*)  
Lee Whay Keong  
Lim Mooi Lang

#### Executive

Loh Kgai Mun

The NC conducted its annual review of the directors' independence and is satisfied that the Company complied with the guidelines of the Code that a majority of the Board is made up of non-executive directors. The Company also complied with SGX-ST Listing Rule 210(5)(c) that the Board has three independent directors and independent directors comprised at least one-third of the Board.

Details of the directors' qualifications, background, and working experience are set out under the "Board of Directors" section of this Annual Report.

### Independence of directors

An independent director of the Company is one who is independent from the substantial shareholders of the Company, and management and business relationships with the Company and its subsidiaries, and has not served for more than nine years on the Board. He/She is also independent in conduct, character, and judgment. Each director is required to abstain from the deliberations of the NC and the Board respectively as to his/her own independence.

The NC determines the independence of a director annually, taking into account the criteria and circumstances set out in the SGX-ST Listing Manual, the Code, and the Practice Guidance. Each director is required to complete a Director's Independence Checklist drawn up based on the guidelines in the SGX-ST Listing Manual, Code, and the Practice Guidance to confirm whether he is independent despite not having any relationships as set out in the Code or Practice Guidance which could deem him to be non-independent. Subsequently, the NC reviews the completed checklists to assess the independence of the directors and recommends its assessment to the Board. If there is any change in the relationship with the Company, its related corporations, its substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company, the director is required to notify the Company immediately. No director is involved in the NC's and Board's discussions on and determination of his own independence.

For FY 2024, the NC carried out a review of the independence of each director based on their respective self-declarations. Mr Sam Chong Keen and Mr Chai Woon Chew had confirmed their independence. In accordance with the SGX-ST Listing Rule 210(5)(d), Mr Sam and Mr Chai were not employed or had been employed at any time during the past three financial years by the Company or any of its related corporations, and none of their immediate family members who were employed or had been employed at any time during the past three financial years by the Company or any of its related corporations, and whose remuneration was determined by the RC. Taking into account that they had exercised independent judgment in the best interests of the Company along with their invaluable contributions on



# CORPORATE GOVERNANCE REPORT

the Board and Board Committees, the NC assessed and considered Mr Sam and Mr Chai to be independent. Mr Sam and Mr Chai had abstained from all discussions and decisions of the NC and the Board in relation to the assessment of his own independence. The Board is of the view that the independent directors have demonstrated a strong level of independence and judgment over the years of performing their duties and responsibilities with utmost commitment to upholding the interests of the shareholders. They have expressed individual and independent viewpoints, debated issues, and objectively scrutinised and challenged the Management. All major decisions made by the Board are unanimously agreed upon by the independent directors. The Board opined that the present Board composition has a strong independence element and is appropriate for effective decision-making.

Mr Koong Lin Loong was appointed as an independent director of the Company with effect from 16 August 2024. The NC and the Board have assessed and were satisfied that he is not related to any of the directors and controlling shareholders of the Company and has no management and business relationships with the Company and its subsidiaries.

## **Independent non-executive directors who have served beyond nine years**

In accordance with the SGX-ST Listing Rule Rule 210(5)(d)(iii) that came into effect on 1 January 2022, an independent director will not be considered independent if he has served on the Board for an aggregate period of more than nine years unless prior to 1 January 2022, he had subject to rigorous review and obtained approval from shareholders to continue in office under a two-tier voting. Such measures will enable the Board to have an independent and objective perspective, to allow balanced and well-considered decisions to be made. Mr Sam's tenure as an independent director has exceeded nine years as of 1 January 2022. The NC, with the concurrence of the Board, is of the view that a director's independence cannot be determined solely based on his length of service. Instead, the substance of a director's professionalism, integrity, and objectivity is also of utmost importance and a holistic approach should be taken in the assessment of a long-serving director's continued independence.

For FY 2024, Mr Sam had expressed personal views and objectively scrutinised and debated issues at Board and Board Committee meetings having regard to the interests of non-controlling shareholders, in particular on matters concerning interested parties such as the ageing status of trade receivables, credit limits, and approval thresholds for trade receivables transactions. In addition, he had also demonstrated independent-mindedness and conducted Board and Board Committee meetings where he shared valuable opinions with Management when discussing business development and potential investment opportunities given his wealth of experience, and knowledge of the business and operating environment of the Group. The Board opined that Mr Sam has over time developed significant and in-depth insights into the Group's businesses and could continue to provide invaluable contributions and exercise independent judgment in the best interests of the Company. Therefore, after a thorough and rigorous review, the NC and the Board are of the view that notwithstanding that Mr Sam had served on the Board for more than nine years, he will still be considered to be independent for the purposes of the SGX-ST Listing Manual and the Code. Mr Sam had abstained from all discussions and decisions of the NC and the Board in relation to the assessment of his own independence.

The requisite two-tier shareholders' approvals under the SGX-ST Listing Rule 210(5)(d)(iii) for Mr Sam's continued appointment as an Independent Director beyond 31 December 2021 has been obtained at the Company's AGM held on 30 November 2021. Therefore, Mr Sam will remain Independent Director of the Company until the earlier of (i) his retirement or resignation or (ii) the conclusion of the AGM in 2024. However, the SGX-ST Listing Rule 210(5)(d)(iii) was deleted with effect from 11 January 2023.

Under the SGX-ST Listing Rule 210(5)(d)(iv) effective 11 January 2023 and Transitional Practice Note 4, a hard tenure limit of nine years was imposed on directors' independence, beyond which, such directors will no longer be considered independent. Mr Sam will be considered independent until the AGM in 2024 for the financial year ended 30 June 2024. Mr Sam Chong Keen will seek re-election at the 2024 AGM. He will not be considered independent following the conclusion of the AGM therefore he will be re-designated as non-executive director of the Company. Following his re-designation, he will cease to be Chairman of the Board, AC, NC, and RC.



# CORPORATE GOVERNANCE REPORT

## Board composition and size

The NC conducted its annual review on the size and composition of the Board, which comprises members from different backgrounds and whose core competencies, qualifications, skills, knowledge and experiences are extensive. The Board, in concurrence with NC, is of the view that the current Board and Board Committees are of appropriate size to facilitate effective decisions, taking into account the scope and nature of the operations of the Group. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process. The NC is also of the view that the Board has a good balance of directors who have extensive business, financial, accounting, legal, and management experience.

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

Name	Status	Board	Audit Committee	Nominating Committee	Remuneration Committee
Sam Chong Keen	NED, ID	C	C	C	C
Loh Kgai Mun	ED, NID	M	–	–	–
Chai Woon Chew	NED, ID	M	M	M	M
Tan Sri Cheng Heng Jem	NED, NID	M	–	–	–
Koong Lin Loong	NED, ID	M	M	M	M
Lee Whay Keong	NED, NID	M	M	M	M
Lim Mooi Lang	NED, NID	M	M	M	M

### Legend:

C: Chairman  
M: Member

ED: Executive director  
NED: Non-executive director

ID: Independent director  
NID: Non-independent director

## Competency of the Board

The current Board composition provides an appropriate and diverse mix of skills and experiences to serve the Group competently and efficiently. The directors have core competencies in accounting and finance, business and management expertise, industry knowledge, and strategic planning experience.

Board performance is evaluated based on its size, composition, processes, and accountability. The NC is of the view that quantitative criteria, namely financial ratios, provide a snapshot of a Company's performance rather than Board performance. There are no concrete performance criteria that address how the Board has enhanced long-term shareholder value.

The NC has put in place an annual board performance evaluation exercise in the form of a questionnaire for completion by each director. The NC collated the questionnaire results and reviewed the findings before reporting to the Board. The Board is satisfied with the results of the assessment for FY 2024. The directors have a sound understanding of the business strategy, nature of the business activities of the Group, and their associated risks.

## Board diversity

The Company has a board diversity policy. The policy recognises and embraces the importance and benefits of having a diverse Board based on the needs and demands of the Group's business.

The NC reviews the Board's composition, rotation and retirement of Directors and succession planning, and considers aspects such as professional qualifications, industry and geographic knowledge, experience, skills, length of service and the needs of the Company. All Board appointments will be based on merit and will be considered against objective criteria and having due regard for the benefits of diversity on the Board, the Company's needs and core values.



# CORPORATE GOVERNANCE REPORT

The current Board's composition reflects the Company's effort toward Board diversity in terms of gender, skills and experience and geographical background and experience. The NC will continue to review the board diversity policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval.

The Board's diversity targets are as follows:

Objectives	Targets
Gender	To have at least one female director
Age	To have at least one younger director (60 years old or below)
Skills and experience	To ensure the Board members possess a majority of identified core skills and experience with at least one director with financial/accounting-related knowledge
Geographical Background and Experience	To have Board members that has geographically diverse backgrounds and experiences to enable effective navigation of the challenges and opportunities in the markets in which the Group operates

In line with Board diversity, 2 new directors were appointed:

- Mr Koong Lin Loong was appointed as an independent non-executive director on 16 August 2024. He has in-depth experience and expertise in tax and accounting. His appointment contributes to Board diversity in terms of geographical background, experience and skills in financial and accounting-related knowledge.
- Ms Lim Mooi Lang was appointed as a non-executive director on 16 August 2024. She has in-depth experience and expertise in tax and accounting. Her appointment contributes to Board diversity in terms of gender, geographical background, experience and skills in financial and accounting-related knowledge.

In term of gender diversity, the Board has at least one female director. For age diversity, the Board consists of directors with ages ranging between mid-50s and early-80s years with different tenures. In respect of skill and experience diversity, the Board comprises members who are business leaders, and professionals with diverse expertise, experience and background. Ms Lim, Mr Lee Whay Keong and Mr Koong have extensive finance/accounting knowledge. In relation to geographical diversity, four of the directors, namely Ms Lim, Mr Lee, Mr Chai Woon Chew and Mr Koong are based in and have extensive experience in jurisdictions outside Singapore.

The Board, taking into account the views of the NC, considers that diversity of the Board in terms of, *inter alia*, skills and experience, geographical background and experience, gender and age, will contribute to the quality of its decision-making process and serve the needs and plans of the Group. Details of the directors' qualifications, background and working experience, are set out under the "Board of Directors" section of this Annual Report.

## Meetings of non-executive directors

The non-executive directors constructively challenge, help develop proposals on strategy, review the performance of the Management in meeting, agreed goals and objectives, and monitor performance reporting. Where necessary, non-executive directors will meet for discussion without the presence of the Management.



# CORPORATE GOVERNANCE REPORT

## Principle 3 – Chairman and Chief Executive Officer

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

### Separation of the role of Chairman and executive director

The Chairman and the executive director are not related to each other. The roles of the Chairman and the executive director are distinct and separate, with a clear division of responsibilities between them to ensure increased accountability and greater independence in decision-making. Mr Sam Chong Keen, as Chairman of the Board, leads the meetings, and facilitate robust and open discussions and deliberations in Board meetings. Whilst Mr Loh Kgai Mun, the executive director, provides stewardship for the overall operations and resources of the Group's businesses.

### Roles and responsibilities of executive director

The executive director oversees the Group's operations and implementation of the Group's strategies, plans, and policies to achieve planned corporate performance and financial goals. He updates the Board on pertinent developments in the Group's business, as well as identifies, assesses, and advises the Board of any material issues that may affect the Group. During FY 2024, the executive director attended all the Board's, Board Committees' and shareholders' meetings.

### Roles and responsibilities of the Chairman

The Chairman is responsible for leading the Board. He leads the Board to ensure the effectiveness of all aspects of its role and promotes a culture of openness and debate at the Board. Mr Sam sets the agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues. In addition, he facilitates the effective contribution of non-executive directors and encourages constructive relations within the Board and between the Board and the Management.

The Chairman ensures the performance evaluation of the Board is done at least yearly and guides the development needs of the Board. He also plays a significant leadership role in providing oversight, advice and guidance to the executive director and Management on strategy, risk matters, governance, systems and processes.

### Lead independent director

The Board has not appointed a lead independent director as the Chairman and the executive director are already separate persons and are not related to each other. The Chairman is not involved in the day-to-day operations of the Company and is independent of the management and business relationships with the Company and the Group. He is also independent of the Management and performs an effective check and balance on the Management. The directors are able to exercise independence and objective judgement. There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making. Having considered the current business operations and the Chairman of the Company, who was also an independent director, the NC, and the Board were of the view that the appointment of a lead independent director was not necessary. The Board will, in continuous assessment of the corporate governance standards, appoint a lead independent director when the Board situation warrants.

The Board and the Management are always accessible to the Company's shareholders. Therefore, the absence of a lead independent director has not impacted and is not expected to impact the communication between the Board and the shareholders or other stakeholders of the Company.



# CORPORATE GOVERNANCE REPORT

## Principle 4 – Board membership

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

### NC composition and responsibilities

The NC comprises five non-executive directors with three independent directors, including the Chairman. One NC meeting was held in FY 2024.

Sam Chong Keen	<i>(Chairman, independent director)</i>
Chai Woon Chew	<i>(Independent director)</i>
Koong Lin Long	<i>(Independent director)</i>
Lee Whay Keong	<i>(Non-executive director)</i>
Lim Mooi Lang	<i>(Non-executive director)</i>

The NC makes recommendations to the Board on relevant matters relating to:

- (a) the review of Board succession plans for directors, in particular, for the Chairman and the executive director, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
- (b) the development of a process for evaluating the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board, and to propose objective performance criteria;
- (c) the review of training and professional development programs for the Board; and
- (d) the appointment and re-appointment of directors, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills, experience, and diversity that the Board requires.

### Re-nomination and re-election of directors

According to the Company's Constitution, every director shall retire from office by rotation at least once every three years at each AGM and may seek re-election. Additionally, the Company's Constitution also prescribes that the newly appointed director will hold office until the next AGM and if eligible, may seek re-election. The NC reviews each director's eligibility, contribution, and performance (such as attendance, preparedness, participation, and candour), with reference to the results of the assessment of the performance of the individual director by its peers and tenure.

Mr Sam Chong Keen, who is retiring by rotation under Article 98 of the Company's Constitution and being eligible, will be seeking re-election at the 2024 AGM. As Mr Sam has served more than nine years in the Company, upon his re-election, he will be re-designated as a non-executive director of the Company following the conclusion of the 2024 AGM. The NC has considered the experience and contributions of Mr Sam and is of the view that Mr Sam, as a long-serving director, has gained insights into the business and will contribute positively to the diversity of the Board.

Mr Koong Lin Loong and Ms Lim Mooi Lang, having been appointed on 16 August 2024, will be retiring by rotation under Article 104 of the Company's Constitution and being eligible, will be seeking re-election at the 2024 AGM.

The Board has been notified that Mr Lee Whay Keong wishes to retire from the Board at the 2024 AGM. Consequent to his retirement, he will cease to be a member of AC, NC, and RC. The Board extends its deepest thanks for his invaluable contributions and dedication to the Company.

Additional information on directors seeking re-election at the 2024 AGM is set out on pages 112 to 116 of this Annual Report.



# CORPORATE GOVERNANCE REPORT

## **Selection, appointment and re-appointment of directors**

The NC establishes and reviews the key criteria for the selection of Board members and makes recommendations to the Board on the appointments, re-appointments, and retirement of directors. The composition of the Board is reviewed regularly to ensure that the Board has the appropriate mix, of expertise and experience. The NC may, if deemed appropriate, recommend the appointment of additional directors to strengthen the composition of the Board or as part of the ongoing Board renewal process. The NC will review and identify the desired competencies for a new appointment. Where there is a resignation or retirement of an existing director, the NC will re-evaluate the Board composition to assess the competencies for the replacement. Once the NC has determined the desired competencies for an additional or replacement director to complement the skills and competencies of the existing directors, it will submit its recommendations to the Board for approval.

The selection and appointment process of new directors to the Board is reviewed, formalised, and endorsed by the Board. The appointment of new members to the Board is considered by the NC. When there is a need to appoint a new director, whether due to the retirement of a director, growth or increased complexity of the Company's business, the NC or any directors will try to source for suitable candidates through their networks and contacts based on the established criteria. Where applicable, external consultants may also be engaged to identify potential candidates. The potential candidate's background, qualifications, skill sets, calibre, stature, competencies, commitment, contribution, and performance are being considered where Board positions are concerned, and the composition and progressive renewal of the Board are also being evaluated. The NC will endeavour to ensure that the candidates selected possess the relevant background, experience, knowledge, and diversity, as well as business, finance, and management skills critical to the Company's business. Shortlisted potential candidates will be identified for interview. Following rigorous review, the NC recommends the appropriate potential candidate for the Board's endorsement.

Diversity of experience and appropriate skills which are considered in the selection process include leadership, industry experience, management and business operations expertise, financial and accounting, legal and regulatory, risk management, marketing, capital management and information technology. In addition, the NC takes into consideration the current Board size and its mix, the additional skills and experience that will enhance the competencies and effectiveness of the Board. The board diversity policy provides that the NC shall endeavour to ensure female candidates are included for consideration when identifying candidates to be appointed as new directors.

A formal letter setting out the director's duties and obligations will be given to the new director upon his/her appointment to ensure that the new director is aware of his/her duties and obligations.

Mr Koong Lin Loong was appointed as an independent director of the Company and Ms Lim Mooi Lang was appointed as a non-executive director of the Company with effect from 16 August 2024 and served as a member of the AC, NC and RC. Both have extensive experience in financial, accounting and tax. Ms Lim targets to complete the training on the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST within a year from her appointment date.

## **Continuous review of directors' independence**

Annually, each director must declare his independence on a checklist based on the guidelines provided in the Code and the Practice Guidance. In addition, the NC is committed to reassessing each director's independence as and when warranted. The NC reviewed the declarations and is satisfied with the independence of the directors.

For FY 2024, the NC reviewed the independence of each director based on their respective self-declarations. Mr Sam Chong Keen and Mr Chai Woon Chew had confirmed their independence. The NC assessed and considered Mr Sam and Mr Chai to be independent taking into account they had exercised independent judgement in the best interests of the Company along with their invaluable contributions on the Board and Board Committees.



# CORPORATE GOVERNANCE REPORT

## Commitments of directors sitting on multiple Boards

The Board has not established the maximum number of listed company board representations that a director may hold, as it believes that the directors have different capabilities. The nature of the organisations in which they hold appointments is of various complexities. Directors who have multiple board representations and principal commitments are required to ensure the demands of their obligations and the number of directorships they hold will not undermine their ability to dedicate sufficient time and attention to serve the Company effectively. Each director is to update the Company of any changes in his external directorships, which will be noted at Board meetings. The NC reviews and determines whether each director is able to, and has been, adequately carrying out his duties as director of the Company, having considered his other listed company board representations and principal commitments.

For FY 2024, based on the reviews of participation and contribution made during meetings, the NC is satisfied that all directors, including those with other directorships and/or principal commitments, are able to perform, and had diligently discharged their duties as a director of the Company.

## Appointment of alternate directors

During FY 2024, the Company had no alternate directors on its Board.

### Principle 5 – Board performance

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

## The Board evaluation process, Board performance criteria, and individual director evaluation

The Company implemented a formal process to evaluate the performance and effectiveness of the Board as a whole, the contribution by the Chairman, and each director to the Board annually.

All directors completed an Assessment Form, assessing the effectiveness of the Board. Criteria include the size of the Board, degree of independence, information flow from Management, adequacy of the Board and Board Committees meetings, accountability, and the Board's conduct.

Besides, each director is appraised by their colleague on the Board in terms of contributions made, degree of preparedness, business knowledge and experience, level and quality of involvement during the year, the intensity of participation at meetings, and quality of interventions and interactive skills.

The Chairman will utilise the evaluation outcome as a reference to review the Board's composition and Board Committees' structure, and in consultation with the NC, to assess the effectiveness of the Board's oversight of the Company. The findings of the evaluation are made known to each member of the Board.

The board assessment exercise provides an opportunity to obtain constructive feedback from each director on whether the Board's procedures and processes allow the directors to discharge their duties effectively and the changes which should be made to enhance the effectiveness of the Board and Board Committees. The assessment exercise helps the directors to focus on key responsibilities and allows for peer review with an aim to increase the efficiency and quality of the directors. This will also help the NC in determining whether to re-nominate directors who are due for retirement and to evaluate whether directors with multiple board representations are able to discharge their duties adequately.

For FY 2024, the Company did not engage an external facilitator for the board evaluation process.





# CORPORATE GOVERNANCE REPORT

## REMUNERATION MATTERS

### Principle 6 – Procedures for developing remuneration policies

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

### RC composition

The RC comprises five non-executive directors with three independent directors, including the Chairman. One RC meeting was held in FY 2024.

Sam Chong Keen	<i>(Chairman, independent director)</i>
Chai Woon Chew	<i>(Independent director)</i>
Koong Lin Loong	<i>(Independent director)</i>
Lee Whay Keong	<i>(Non-executive director)</i>
Lim Mooi Lang	<i>(Non-executive director)</i>

The primary role of the RC under its terms of reference is to assist the Board in fulfilling its objectives as follows:

- (a) To assist the Board to minimise the risk of any potential conflict of interest by putting in place a formal and transparent procedure in developing overall remuneration policy and strategy to ensure that no director is involved in deciding his/her own remuneration;
- (b) To review and make recommendations to the Board on the Group's general framework of remuneration or specific remuneration packages (if any) for the Board and the executive director with the aim of being fair and to ensure the framework is appropriate to attract, retain, and motivate the Board and the executive director and to avoid rewarding poor performance;
- (c) To review the adequacy, fairness, and terms of compensation for each of the directors and the executive director to ensure that the compensation is commensurate with the duties, responsibilities, and risks involved in being an effective director and the executive director; and
- (d) To review the Company's obligations arising in the event of termination of the executive directors' contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses that are not overly generous.

### RC's access to advice on remuneration matters

During FY 2024, the RC did not require the services of external remuneration consultants, and no directors were involved in deciding their own remuneration. Nevertheless, the RC has explicit authority to seek external expert advice should such a need arise, at the Company's expense.



# CORPORATE GOVERNANCE REPORT

## Principle 7 – Level and mix of remuneration

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

### Remuneration of executive director and key management personnel (“KMP”)

The RC assists the Board to ensure the remuneration frameworks are able to attract, motivate, reward, and retain quality personnel. The RC ensures that the remuneration of the executive director and KMP is linked to the Company’s relative performance and individual performance. It considers the Group’s financial health and business needs, and aligns with the interests of the shareholders, thus promoting the Company’s long-term success. The RC also takes account of risk policies of the Group, is symmetric with risk outcomes, and is sensitive to the time horizon of risks.

The RC determines a specific remuneration package for the executive director according to a remuneration framework comprising basic salary, bonus, and other benefits. The annual bonus is a variable component based on the performance of the Group and the individual. The size of the Company’s annual performance bonus pot is determined by the Group’s financial and non-financial performance and is distributed to employees based on their performance.

The Company’s executive remuneration policy for executive directors and KMP comprises the following objectives:

- (a) To reward employees for achieving corporate and individual performance goals fairly and equitably; and
- (b) To ensure the remuneration package reflects the employees’ duties and responsibilities.

The executive remuneration packages for the executive directors and KMP comprise the following components:

- (a) Basic salary;
- (b) Variable/performance-related bonuses; and
- (c) Allowance/other benefits.

For FY 2024, the RC is satisfied that the performance-related bonus granted to the executive director was reflective of his performance and contributions, taking into account the extent to which his performance conditions were met. The RC and Board believe that the executive remuneration policy is aligned with the short-term and long-term interests of the shareholders and that it promotes the long-term success of the Company.

The Company does not have any share-based compensation scheme or any long-term incentive scheme involving the offer of shares or options for the executive director and KMP. Besides, the service contracts of the executive director and KMP of the Group also do not contain any onerous termination clauses.

### Remuneration of non-executive directors

The non-executive directors are remunerated with directors’ fees, which are set on an annual basis and under a remuneration framework comprising basic fees, committee fees, and attendance fees. The RC performs an annual review of the structure for directors’ fees and ensures that the remuneration is appropriate and not excessive, taking into account the directors’ effort, time spent, and responsibilities. The aggregate directors’ fees for each financial year are subject to shareholders’ approval at the AGM.



# CORPORATE GOVERNANCE REPORT

There is no requirement in the Company's Constitution for directors to hold shares to be qualified to act as a director of the Company. The Company also does not discourage directors from holding shares in the Company.

The Company's remuneration policy for directors comprises the following objectives:

- (a) To ensure that the process in determining remuneration for directors is formal and transparent;
- (b) To ensure that the level of remuneration is sufficient (not excessively) to attract and retain directors to exercise oversight responsibility over the Company; and
- (c) To ensure that no directors are involved in deciding on his/her own remuneration.

## **Directors fee's structure**

Director's remuneration comprises a base fee and additional fees for services rendered on Board Committees, and fee for Chairmanship. The RC takes into consideration the directors' respective roles and responsibilities on the Board and Board Committees and the changes in the business, corporate governance practices, and regulatory rules. The RC also considers the frequency of Board and Board Committees and the interval since the last revision of directors' fees. The RC is also mindful that the remuneration of the directors should not be excessive to compromise directors' independence. No directors are involved in deciding his/her own remuneration.

Role	Chairman (per annum)	Member (per annum)
Board of Director	S\$10,000 (additional)	S\$8,000 (Non-independent director) S\$24,000 (Independent director)
Audit Committee	S\$6,000	S\$4,000
Attendance Fee	S\$500 per trip	

Every director receives a base fee of S\$8,000 per annum except for independent directors who receive S\$24,000 per annum. The Chairman of the Board receives an additional S\$10,000 per annum. The AC members receive S\$4,000 per annum while the AC Chairman receives S\$6,000 per annum. Attendance fees of S\$500 per trip is payable for attendance in person or via teleconference or video conference at each Board or Board Committees meeting.

The RC is of the view that the remuneration of non-executive directors is appropriate to their level of contributions, taking into consideration factors such as effort, time spent, and responsibilities, and to attract, retain and motivate the non-executive directors but not over-compensated to the extent that their independence are compromised.

Approval of the shareholders will be sought at the forthcoming 2024 AGM for the payment of a total of S\$111,000 as directors' fees.

## **Contractual provisions to reclaim incentive components of remuneration**

In the exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss, there are no contractual provisions that allow the Group to recover incentive components of remuneration from the executive director or KMP. The RC will seek expert advice as and when necessary.

# CORPORATE GOVERNANCE REPORT

## Principle 8 – Disclosure of remuneration

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

Details on the remuneration of directors and KMP for FY 2024 are presented below.

### Remuneration of directors

Remuneration paid to the directors of the Company for FY 2024 is set out in bands of S\$250,000. For competitive and sensitive reasons, remuneration paid to the executive director is not disclosed in detail.

Name of director	Remuneration band	Salary	Bonus	Allowance/ other benefits	Directors' fees	Total
Loh Kgai Mun	S\$250,000 to below S\$500,000	66%	26%	8%	–	100%
Sam Chong Keen <sup>(1)</sup>	Below S\$250,000	–	–	–	S\$46,500	S\$46,500
Chai Woon Chew	Below S\$250,000	–	–	–	S\$34,500	S\$34,500
Tan Sri Cheng Heng Jem	Below S\$250,000	–	–	–	S\$11,500	S\$11,500
Lee Whay Keong <sup>(2)</sup>	Below S\$250,000	–	–	–	S\$18,500	S\$18,500

#### Notes:

- (1) Mr Sam Chong Keen will not be considered independent following the conclusion of the AGM therefore he will be re-designated as a non-executive director of the Company. Following his re-designation, he will cease to be Chairman of the Board, AC, NC, and RC.
- (2) Mr Lee Whay Keong will retire as a non-executive director following the conclusion of the AGM. Consequent to his retirement, he will cease to be a member of AC, NC, and RC.

### Remuneration of top five KMP

The aggregate remuneration paid to the top five KMP of the Group (who were not directors or the executive director) for FY 2024 amounted to S\$693,284. None of the KMP, except as disclosed above for Mr Loh Kgai Mun, whose aggregate remuneration per annum exceeds S\$250,000 for FY 2024.

### Remuneration of employees who are substantial shareholders/immediate family members of director, the executive director/substantial shareholder

There were no employees of the Group who were a substantial shareholder of the Company or an immediate family member of any of the directors or the executive director or a substantial shareholder of the Company, whose remuneration exceeds S\$100,000 for FY 2024.

### Other payments and benefits paid to directors and KMP

During FY 2024, there were no terminations, share-based incentives, retirements, or post-employment benefits, granted to the directors, the executive director, or the KMP.



# CORPORATE GOVERNANCE REPORT

## ACCOUNTABILITY AND AUDIT

### Principle 9 – Risk management and internal controls

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

The Board aims to provide a balanced and fair assessment of the Group's performance, position, and prospects to shareholders through announcements of quarterly and full-year financial statements and other material corporate developments promptly.

Directors are provided with management accounts and related information regularly and from time to time as they are required. In addition, the Board ensures that adequate steps are taken to comply with legislative and regulatory requirements, including requirements under the SGX-ST listing rules.

### Risk management and internal control system

The Board is responsible for the governance of risk and ensures that the Management maintains a sound system of risk management and internal controls to safeguard the assets of the Group.

It also determines the Company's levels of risk tolerance, risk policies and oversees the Management in their design, implementation, and monitoring of the risk management and internal control systems.

A risk management framework, which Management has put in place, where key risks, namely financial, operational, compliance, and information technology risks, are identified and addressed.

Annually, the AC and Board review the Enterprise Risk Management Report to evaluate risks, adequacy and effectiveness of the Group's internal control system. The Management is responsible for identifying and managing the day-to-day management of risks. The Management is also responsible for the effective implementation of risk management strategies, policies and processes to facilitate the achievement of business plans and goals within the risk tolerance established by the Board. Key business risks are proactively identified, addressed and reviewed on an ongoing basis. The risk registers are maintained by the business and operational units which identify the key risks facing the Group's business and internal controls are in place to manage those risks.

For FY 2024, the AC and the Board had reviewed the Group's risk management framework and are satisfied that it continued to be adequate and effective.

The internal and external auditors conduct audits that test the effectiveness of the material internal control systems within the Group, relating to financial, operational, compliance and information technology risks. Any material non-compliance or lapses in internal controls are reported to the AC, including the remedial measures recommended to address the risks identified. The AC reviews the adequacy and timeliness of the actions taken by Management in response to the recommendations made by the auditors. Control self-assessments in key areas of the Group's operation are conducted by Management periodically to evaluate the adequacy and effectiveness of the risk management and internal control system.

The Board acknowledges that the system established by the Management is established to manage, rather than eliminate, the risk of failure in achieving the Company's strategic objectives. Consequently, the Board recognises that the system is established to provide reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no systems of risk management and internal control can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision-making, human error, fraud, material misstatement, losses or other irregularities.



# CORPORATE GOVERNANCE REPORT

## Assurance from the executive director and group accountant

For FY 2024, the executive director and group accountant have provided written assurance to the Board that (i) the financial records have been properly maintained, (ii) the financial statements give a true and fair view of the Group's operations and finances, and (iii) the Group's risk management and internal control systems are adequate and effective in providing reasonable assurances.

Based on the risk management and internal control systems established and maintained by the Group, work performed by the internal auditors, statutory audit undertaken by the external auditors, and reviews conducted by the executive director and the Management, as well as the signed letter of opinion by the executive director and group accountant of the Company, the Board, with the concurrence of the AC, is of the opinion that the Group's internal control system was effective and adequate as at 30 June 2024 to address the financial, operational, compliance, information technology controls and risk management systems of the Group.

### Principle 10 – Audit Committee

*The Board has an Audit Committee which discharges its duties objectively.*

## AC composition

The AC comprises five non-executive directors with three independent directors, including the Chairman. Nine AC meetings were held in FY 2024.

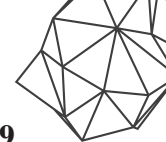
Sam Chong Keen	<i>(Chairman, independent director)</i>
Chai Woon Chew	<i>(Independent director)</i>
Koong Lin Loong	<i>(Independent director)</i>
Lee Whay Keong	<i>(Non-executive director)</i>
Lim Mooi Lang	<i>(Non-executive director)</i>

## The expertise of AC members

All AC members held senior positions in various industries and sectors and possess a wealth of management experience, including *inter alia*, tax, accounting, audit and finance.

Mr Sam, the AC Chairman, having held senior/CEO positions in various companies/industries, has a wealth of management experience. Mr Chai is a partner of a legal firm serving a wide range of large multinationals, public limited companies as well as private businesses, financial institutions, and individuals. Mr Koong and Ms Lim have extensive relevant accounting, tax and financial knowledge whilst Mr Lee has relevant accounting, financial and banking expertise. The Board is of the view that all AC members, being reviewed annually, bring with them invaluable and relevant managerial and professional expertise including accounting and related financial management and are appropriately qualified to discharge their responsibilities.

Details of the directors' qualifications, background and working experience are set out under the "Board of Directors" section of this Annual Report.



# CORPORATE GOVERNANCE REPORT

## Roles, responsibilities, and authority of AC

As set out in the Code and the Practice Guidance and Duties, the AC carries out the functions in its terms of reference. These include:

- (a) reviewing the significant financial reporting issues and judgments made to ensure the integrity of the financial statements and any announcements on the Company's financial performance;
- (b) reviewing, and reporting to the Board, at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance, information technology controls, and risk management systems;
- (c) reviewing the adequacy and effectiveness of the Company's internal audit function;
- (d) assessing the independence of external and internal auditors;
- (e) reviewing the external audit's scope and findings, its cost-effectiveness, and the independence and objectivity of the external auditors;
- (f) making recommendations to the Board regarding the appointment, re-appointment, or removal of the external auditors' proposals to the shareholders, and approving the remuneration and terms of engagement of the external auditors; and
- (g) reviewing interested person transactions to ensure compliance with the regulations set out in SGX-ST Listing Manual.

Annually, before the commencement of the respective audit work, the AC reviews the audit plan and the scope of internal audit work with the internal auditors. In ensuring interested person transactions are carried out on standard commercial terms and not prejudicial to the interests of the Company and its minority shareholders, the AC reviews interested person transactions and conducts periodic reviews on the appropriateness of the established methods and procedures for the interested person transactions.

During FY 2024, the AC held nine meetings with internal auditors and the Management. External auditors attended two of the meetings. The AC met once with each of the internal auditors and the external auditors without the presence of the Management.

The AC assessed the Group's external auditors based on factors such as the effectiveness of the audit process, resources, independence and objectivity, and recommends its appointment to the Board. It reviewed and approved the Group external auditors' audit plan and assessed the quality of the work carried out by the external auditors in accordance with the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority and is satisfied with the performance. The AC also reviewed the periodic consolidated financial statements (together with Management's estimates and judgements adopted in the preparation of the consolidated financial statements), the auditors' report issued by both the internal and external auditors, and the Management's report on the risk management framework before submissions to the Board.



# CORPORATE GOVERNANCE REPORT

## Key audit matters (“KAM”)

The following significant matters were discussed, and consensus was obtained between senior management staff and the external auditor before being reviewed by the AC:

(a) Assessment of purchase price allocation arising from business combination

On 30 August 2023, the Group, through LAP Energy Sdn Bhd, a wholly owned subsidiary, completed the acquisition of Semangat Meriah Sdn Bhd and its subsidiaries, Swissma Building Technologies Sdn Bhd and Associated Steel Industries (M) Sdn Bhd.

The AC considered the requirements of SFRS(I) 3 Business Combinations, in assessing the purchase price allocation (“PPA”) of the acquiree’s identifiable assets, liabilities and the related negative goodwill.

An independent valuation expert was engaged by the Group to perform the PPA exercise. The assessment of PPA is considered to be a key audit matter. Please refer to pages 40 and 41 of this Annual Report for more details.

(b) Assessment of impairment loss on property, plant and equipment (“PPE”) and right-of-use assets

The AC considered the approach and methodology applied by the independent valuation experts and Management, for assessing the recoverable amount based on the depreciated replacement cost approach, except for the freehold land, which were based on the market approach, before reviewing the key assumptions including useful life of the assets, inflation rate.

Consequently, the AC is satisfied with the valuation process and methodologies used for the valuation of PPE and right-of-use assets. The related impairment was an area of concern and, hence has been included as KAM. Please refer to pages 41 and 42 of this Annual Report for more details.

(c) Assessment of expected credit loss on trade receivables

The AC considered the basis of Management’s judgement on the overdue debts and the amount of default based on the past collection trends, any increase in the number of delayed receipts on the portfolio past the average credit period, and forward-looking information such as a forecast of future economic condition. The AC reviewed the Management’s process of assessing the recoverability of the overdue debts.

The impairment assessment of trade receivables has been included as KAM. Please refer to pages 42 and 43 of this Annual Report for more details.

(d) Assessment of impairment loss on cost of investments in subsidiaries and long-term receivables from subsidiaries

The AC considered the approach adopted by Management, namely by comparing the net carrying amount of the subsidiaries with the Company’s share of net assets or liabilities of the subsidiaries to identify the indications of impairment and to determine the impairment allowance of cost of investments and long-term receivables from subsidiaries concerned, before being satisfied with the impairment assessment approach adopted and associated disclosures requirements.

The impairment of the Company’s cost of investments in subsidiaries and long-term receivables from subsidiaries were areas of concern and, hence have been included as KAM. Please refer to page 43 of this Annual Report for more details.

The financial statements, including the KAM, were recommended to the Board.

The AC has explicit authority to investigate any matter within its term of reference and has full co-operation of and access to the Management. It has full discretion to invite any director or the Management to attend its meetings and appropriate resources to discharge its functions properly.





# CORPORATE GOVERNANCE REPORT

Members of the AC are kept informed of changes to accounting standards and issues by the Company and the external auditors. They are also encouraged to attend, at the Company's expense, courses or seminars conducted by external professionals to keep abreast of such changes.

## Whistle-blowing policy

The Group has a whistle-blowing policy in place whereby employees of the Group may, in confidence and good faith, whether anonymously or otherwise, raise concerns on possible improprieties in matters of financial reporting or other issues and will have protection against reprisals provided he has acted in good faith. The identity of the whistle-blower will be kept confidential and the investigation will be conducted on a confidential basis to the extent permissible or deemed appropriate, on best-effort basis. All whistle-blowing incidents will be reported to the AC. Concerns expressed will be considered and investigated based on their merits. The AC ensures the proper conduct of investigations and appropriate closure action following the completion of the investigations, including administrative, disciplinary, civil and/or criminal actions, and remediation. The Company website provides a "Contact LAP" link and such a report will be made directly to the receiving officer.

## Independence of external auditor

The AC is responsible for nominating the external auditors and reviewing their remuneration and terms of engagement before making a recommendation to the Board. Besides, it reviews the scope, independence, and objectivity of the external auditors and their external audit findings.

For FY 2024, the AC reviewed the independence and objectivity of the external auditors as well as the audit and non-audit fees. As there were no non-audit services performed by the external auditors, the external auditors' independence was not affected.

A breakdown of the fees for services provided by the external auditor and its member firms is illustrated in the table below:

Services provided by external auditor	FY 2024		FY 2023	
	S\$'000	% of Total fees	S\$'000	% of Total fees
Audit fees	169	100	118	100
Non-audit fees	–	–	–	–
Total fees	169	100	118	100

For FY 2024, none of the AC members were partners/directors of RSM SG Assurance LLP ("**RSM**"), the external auditors of the Company, and none of them hold any financial interest in RSM.

Taking into account the independence of RSM and other factors such as the size and complexity of the Group and the adequacy of resources and experience of RSM, the AC has recommended the re-appointment of RSM as the external auditor at the 2024 AGM. The Company has complied with SGX-ST Listing Rules 712, 715 and 716 in relation to external auditors.

## Internal audit

The Group's internal audit ("**IA**") resides in-house. The IA conducts its IA functions in accordance with the standard of the Professional Practice of Internal Auditing of the Institute of Internal Auditors. The work undertaken by Group IA involves the assessment of the adequacy and effectiveness of the Group's risk management and material internal controls, including financial, operational, compliance and information technology controls, and risk management systems. Any significant non-compliance or lapses in internal controls together with remedial measures are reported by the IA to the AC. The IA monitors the implementation status of the audit recommendations and reports the overdue corrective actions to the senior Management and the AC. The AC also reviews the adequacy and timeliness of the rectifications by the Management of the auditee entity.



# CORPORATE GOVERNANCE REPORT

The group internal audit manager reports functionally to the AC Chairman and administratively to the executive director. The hiring and removal of the Head of the IA are subject to the approval of the AC. The IA is independent of the activities it audits and abstains from the audit of activities where a conflict of interests might arise.

The IA is staffed by executives with relevant qualifications and experience who are members of internationally recognised professional accountancy bodies. The AC ensures that the Group IA is adequately resourced. Group IA has direct access to the AC and unfettered access to the Group's documents, records, properties, and personnel.

## **Adequacy and effectiveness of internal audit function**

The AC reviews the adequacy, effectiveness and independence of the IA function annually. For FY 2024, the AC reviewed the IA function and is satisfied that the IA function was independent, effective, and adequately resourced.

## **SHAREHOLDER RIGHTS AND ENGAGEMENT**

### **Principle 11- Shareholder rights and conduct of general meetings**

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

### **Effective shareholders' participation and voting at general meetings**

The Company keeps all the shareholders informed of its corporate activities, including changes in the Company and its business, which might materially affect the price or value of its shares, on a timely basis.

Promoting environmental sustainability, the Company has discontinued mailing of its annual reports or circulars to shareholders. Nevertheless, all annual reports and circulars will be announced via SGXNet and published on the Company's website. Also, the notices of general meetings will be issued via SGXNet and published in the newspapers and on the Company's website.

The Company's general meetings were generally held physically in locations that are easily accessible by public transportation ensuring that shareholders could participate effectively and vote at such meetings.

In circumstances where resolutions tabled at general meetings are passed through a process of voting by poll, the company secretary or the polling agent will clearly explain procedures at the beginning of the voting in such general meetings.

If any shareholder is unable to attend a general meeting in person, he/she may appoint not more than two proxies, in accordance with the Constitution, to attend, speak and vote on his/her behalf. Any shareholder who is a Relevant Intermediary (as defined under Section 181(6) of the Companies Act) may appoint more than two proxies to attend, speak and vote at general meetings of the Company. This arrangement is to facilitate indirect shareholders, including CPF investors, to participate in general meetings. Such indirect shareholders, appointed as a proxy, will have the same rights as direct shareholders to attend, speak, and vote at general meetings. To have valid registration of proxy, an instrument appointing a proxy must be deposited at such place or places specified in the notice convening the general meetings at least 72 hours before the time set for the general meetings.

The Constitution allows for absentia voting at general meetings. However, the Company does not practice absentia voting by mail, email or facsimile for security and integrity considerations.



# CORPORATE GOVERNANCE REPORT

## 2023 AGM

During FY 2024, the Company held a physical AGM on 31 October 2023. The Notice of AGM was announced via SGXNet and were also made available on the Company's website and published in newspapers. The Annual Report and proxy forms were made available to shareholders via SGXNet and the Company's website. The Company provided its responses to the Securities Investors Association (Singapore) ("SIAS") relating to 2023 Annual Report via SGXNet and on the Company's website on 26 October 2023.

The executive director of the Company gave presentations at the AGM, providing further elaboration to shareholders. The Company conducted electronic poll voting for shareholders/proxies present at the physical meeting for all the resolutions proposed at the general meetings. Shareholders were informed of the rules, including voting procedures, governing such general meetings. A scrutineer was appointed to count and validate the votes cast at the general meetings. Each share is entitled to one vote. The voting results of all votes casted on each resolution were displayed live to shareholders/proxies immediately after each poll conducted. Shareholders were invited to put forth any questions they might have on the motions to be debated and decided upon before voting on the resolutions.

### Separate resolutions at general meetings

To safeguard shareholders' interests and rights, a separate resolution has been adopted for each distinct matter at general meetings unless the matters are interdependent and interrelated, these matters will be adopted under one resolution. Where resolutions are combined, the reasons and explanatory notes will be provided in the notice of the general meeting.

### Attendance at general meetings

General meetings are considered opportunities for the Company to communicate directly with shareholders. Shareholders are encouraged to air their views or to raise questions concerning the Group. Where possible, all directors will be present at the general meetings to address any query. The external auditors will also be present to provide clarifications on audit issues.

The directors, the Management, the external auditors and legal adviser attended the 2023 AGM.

### Voting by poll at general meetings

All resolutions will be put to vote by electronic poll voting at general meetings to ensure transparency. One vote for each ordinary share held. Voting procedures and rules governing general meetings are explained and vote tabulations are disclosed at the general meetings. Independent scrutineers are appointed to conduct the voting process, to verify and to tabulate votes after each resolution. The results of the votes cast for and against each resolution and the respective percentages are displayed live to the shareholders after each poll is conducted before the Chairman declares the passing of the resolution. The voting results will be announced via SGXNet after the conclusion of the general meetings.

All resolutions of the 2023 AGM were voted by poll and have been checked and validated by B.A.C.S. Private Limited, the appointed scrutineer.

### Minutes of general meetings

The company secretary prepares the minutes of general meetings, which incorporate substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and Management. These minutes are available to shareholders upon request. All minutes of general meetings will be published on the Company's website as soon as practicable.

Minutes of the 2023 AGM were published via SGXNet and posted on the Company's website within one month of the meeting. These minutes include the proceedings at the general meetings, substantial and relevant comments or questions from shareholders, and responses from the Board as well as the voting result of each resolution.



# CORPORATE GOVERNANCE REPORT

## Dividend policy

The Company does not have a definitive dividend policy in place. Nonetheless, the Company has been declaring dividends since 2012. Declaration of dividends, if any, will be communicated to shareholders. If the Company decides not to declare or recommend a dividend, explanations will be provided in the financial results announcement for that relevant period.

In declaring a dividend, the Board takes into consideration numerous factors, including the Group's financial performance, cash flow position, retained earnings, projected capital expenditure requirement, and other investment plans.

### Principle 12 – Engagement with shareholders

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

## Communication with shareholders

General meetings continue to be the Company's principal forum for dialogue with shareholders. At the general meetings, the executive director offers presentation on the Group's performance for the year being reported or the topic of the extraordinary meeting being convened. Shareholders are encouraged to raise questions, express any concerns or give suggestions. Before the voting of each resolution, shareholders are again given ample opportunities to raise queries.

For 2023 AGM, shareholders were encouraged to submit questions relating to the annual report and resolutions in the notice of AGM in advance. The Company's responses to SIAS queries were published on the SGXNet and the Company's website before the AGM.

In line with the continuous disclosure obligations required by the SGX-ST Listing Manual and Companies Act, shareholders were promptly notified, by the Company, of all major developments that may have a material impact on the Group.

The Company's investor relations policy and practices adopt a fair disclosure and transparency principles. Clear, pertinent, and accurate information is provided to shareholders and the investing community in a timely and effective manner. The Company does not practise selective disclosure. All material developments that impact the Group, including financial results and annual reports, are announced via the SGXNet or issued within the mandatory periods and posted on the Company's website.

The Company's website is updated from time to time, as and when it is necessary.

## Avenues for communication

The Company treats all shareholders fairly and equitably and endeavours to engage in regular, effective, and fair communication with shareholders. Such channels include annual reports, shareholder circulars, shareholders' meetings, and announcements through the SGXNet and the Company's website.

To enhance the process of soliciting input from shareholders and members of the investment community, the Company's website provides a "Contact LAP" link that gives shareholders contact details to communicate with the Company. Any feedback or queries received from shareholders and investment community members will be responded to within a week.



# CORPORATE GOVERNANCE REPORT

## MANAGING STAKEHOLDERS' RELATIONSHIPS

### Principle 13 – Engagement with stakeholders

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

The Board recognises that relationships with material stakeholders are important and may impact the Company's business operations. Accordingly, the strategy and key areas of focus concerning the management of stakeholder relationships during the year are disclosed in the Sustainability Report 2024, a link to access the said report is set out on page 36 of this Annual Report.

In addition, the Company maintains a corporate website: [www.lionasiapac.com](http://www.lionasiapac.com) to enable stakeholders to communicate and engage with the Company.

## OTHER CORPORATE GOVERNANCE MATTERS

### Dealings in securities

In compliance with the SGX-ST Listing Rule 1207(19), the Company has issued a Compliance Code on Securities Transactions (the "**LAP Compliance Code**") to all directors and officers of the Group, setting out the implications of insider trading and the guidelines on dealing in the Company's shares.

Under the LAP Compliance Code and the SGX-ST Listing Rule 1207(19), all directors and officers of the Group who have access to price-sensitive information are prohibited from dealing in the shares of the Company, during the periods commencing 1 January to the date of announcement of the Company's second-quarter results ending 31 December, 1 April to the date of announcement of third-quarter results ending 31 March, 1 July to the date of announcement of full-year results ending 30 June, and 1 October to the date of announcement of first-quarter results ending 30 September ("**Embargo Periods**"). In addition, the LAP Compliance Code discourages all directors or officers of the Group from dealing in the Company's shares on short-term considerations. It also served as a reminder to the directors and officers of the Group of their obligations under insider trading laws.

The Company issues reminders to its directors and officers informing them that the Company and its officers shall not deal in the listed securities of the Company during the applicable Embargo Periods, or if they have unpublished price-sensitive information.

A director is required to notify the Company of his/her interest in the Company's securities within two business days after (a) the date on which he/she becomes a director; or (b) the date on which he acquires an interest in the Company's securities. A director is also required to notify the Company of any change in his/her interests in the Company's securities within two business days after he becomes aware of such change. The Company will file such disclosure with the SGX-ST within one business day of the receipt of the notification from the director.

### Material contracts

Save as disclosed in this Annual Report, there were no material contracts of the Group involving the interests of any director or controlling shareholder, entered into during the financial year, that were required to be disclosed under the SGX-ST listing rules.



# SUMMARY OF SUSTAINABILITY REPORT 2024

We are pleased to present Lion Asiapac Limited's ("**LAP**") Sustainability Report for the financial year 2024.

The sustainability report was prepared with the involvement of an independent consultant, Roma Risk Advisory Limited in compliance with the SGX listing rules. However, no external assurance has been conducted. Additionally, LAP's internal auditor has reviewed the sustainability reporting process and performed relevant data verification work to ensure the accuracy and reliability of the sustainability information disclosed.

Our assessment is based on the SGX Sustainability Reporting Guide and Global Reporting Initiative (GRI) reporting framework. This report includes climate reporting with the recommendation of the Task Force on Climate-related Financial Disclosure ("**TCFD**"), including the disclosure of ESG material factors assessment on greenhouse gas ("**GHG**") emission as the ESG material topic affecting business operations.

Through the ongoing process of interaction with stakeholders, the sustainability committee has reviewed the material factors to reflect the changes during the year.

The material environment, social and governance ("**ESG**") factors and performance targets are:

Environmental	
Energy management	Maintaining the energy consumption rate within 10% of the baseline (FY2022 <sup>(1)</sup> – 0.93 MWh per MT)
GHG emissions	Maintaining GHG emission intensity within 10% of the baseline (FY2022 <sup>(1)</sup> – 0.81 tonnes of tCO <sub>2</sub> e per MT)
Climate change	Identifying, assessing and managing climate-related risks and opportunities.
Social	
Employee training and education	Average training hours per employee of 8 hours per year
Occupational health and safety	Zero work-related fatalities
Governance	
Economic performance	To deliver stable and sustainable economic growth for the business and financial returns for the shareholders
Anti-corruption	Zero incident of anti-corruption behaviour/practices
Corporate governance	Continuous strengthening of the enterprise risk management (" <b>ERM</b> ") framework

**Note:**

(1) FY2022 denotes the financial year ended June 2022.

The full Sustainability Report for 2024 is available at the Company's website:  
<http://www.lionasiapac.com/index.php/investors>

Board of Directors



# STATEMENT BY DIRECTORS

The directors of the Company are pleased to present the accompanying financial statements of the Company and of the Group for the reporting year ended 30 June 2024.

## 1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of the statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

## 2. Directors

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

Sam Chong Keen  
 Loh Kgai Mun  
 Tan Sri Cheng Heng Jem  
 Lee Whay Keong  
 Chai Woon Chew  
 Koong Lin Loong (appointed on 16 August 2024)  
 Lim Mooi Lang (appointed on 16 August 2024)

## 3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the reporting year were not interested in shares in or debentures of the Company or other related body corporates as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act 1967 (the "Act"), except as follows:

The Company:	Shareholdings in which a director is deemed to have an interest	
	As at 1.7.2023	As at 30.6.2024
	Number of shares of no par value	
Tan Sri Cheng Heng Jem	54,062,680	54,062,680

By virtue of section 7 of the Act, the above director is deemed to have an interest in the Company and in all the related body corporates of the Company.

The directors' interest as at 21<sup>st</sup> July 2024 were the same as those at the end of the reporting year.

## 4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.



# STATEMENT BY DIRECTORS

## 5. Options

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

## 6. Report of audit committee

The members of the audit committee at the date of this report are as follows:

Sam Chong Keen	Chairman, Independent Director
Chai Woon Chew	Independent Director
Koong Lin Loong	Independent Director (appointed on 16 August 2024)
Lee Whay Keong	Non-Executive Director
Lim Mooi Lang	Non-Executive Director (appointed on 16 August 2024)

The audit committee performs the functions specified by section 201B (5) of the Act. Among other functions, it performed the following:

- Reviewed audit plan of the independent external auditor.
- Reviewed with the independent external auditor their evaluation of the Company's internal accounting controls relevant to the statutory audit, the audit report on the financial statements and the assistance given by management to the auditor.
- Reviewed with the internal auditors the scope and results of the internal audit procedures (including those relating to financial, operational, compliance controls and risk management) and the assistance given by management to the internal auditor.
- Reviewed the financial statements of the Company and the Group prior to their submission to the directors of the Company for adoption.
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the Company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provide non-audit services.

The audit committee has recommended to the board of directors that the independent auditor, RSM SG Assurance LLP, be nominated for re-appointment as the independent auditor at the next annual general meeting of the Company.

## 7. Independent auditor

The independent auditor, RSM SG Assurance LLP, has expressed its willingness to accept re-appointment. This audit firm was known as RSM Chio Lim LLP before 1 March 2024.





## STATEMENT BY DIRECTORS

### 8. Directors' opinion on the adequacy of internal controls

The directors' opinion on the adequacy of internal controls is detailed in the report on corporate governance included in the annual report of the Company.

### 9. Subsequent developments

Following the Company's announcement on 4 July 2024, 1207791 B.C. Limited (the "Purchaser") has commenced arbitration proceedings against the Company at the Singapore International Arbitration Centre based on a dispute arising out of a Share Purchase Agreement ("SPA") dated 1 September 2023.

The Purchaser is primarily seeking a declaration that the cut-off date in the SPA has been extended and the provisions contained therein remain in full force and in effect, as well as an order for the Company to convene an extraordinary general meeting for the purpose of seeking shareholders' approval for the sale of the Company's shares in Compact Energy Sdn. Bhd. to the Purchaser. Alternatively, the Purchaser is seeking damages for the Company's alleged breach of the SPA (the "Arbitration Claim"). The damages have not been quantified by the Purchaser and is not reasonably estimable at this stage.

The Company has engaged and is in consultation with legal advisers in relation to the Arbitration Claim and will take all steps necessary to defend the Arbitration Claim.

The Company will make further announcements to update its shareholders, as necessary or appropriate, when there are material developments.

Save for the above, there are no other significant developments subsequent to the release of the Group's and Company's preliminary financial statements, as announced on 19 August 2024, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors

.....  
Loh Kgai Mun  
Director

24 September 2024

.....  
Lee Whay Keong  
Director



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LION ASIAPAC LIMITED

## Report on the audit of the financial statements

### Opinion

We have audited the accompanying financial statements of Lion Asiapac Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2024, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

### Basis for opinion

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

### Key audit matters

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

### Group

#### (a) Assessment of purchase price allocation arising from business combination

Please refer to Note 2A to the financial statements on accounting policies, Note 2C on critical judgements, assumptions and estimation uncertainties; Note 15 on acquisition of subsidiaries and the section on the audit committee's views and responses to the reported key audit matters in the annual report.

On 30 August 2023, the Group, through LAP Energy Sdn. Bhd., a wholly owned subsidiary, completed the acquisition of Semangat Meriah Sdn. Bhd., and its subsidiaries, Swissma Building Technologies Sdn. Bhd. and Associated Steel Industries (M) Sdn. Bhd.

Management considered the requirements of SFRS(I) 3 Business Combinations, in assessing the purchase price allocation, cash and deferred consideration, amounts recognised for tangible or intangible assets, liabilities and determination of their fair values and useful lives, and the reassessment of the identification and measurement of the acquiree's identifiable assets, liabilities and the related negative goodwill.



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LION ASIAPAC LIMITED

## Key audit matters (Continued)

### Group (Continued)

#### (a) Assessment of purchase price allocation arising from business combination (Continued)

Management engaged an independent valuation expert to perform the purchase price allocation ("PPA") exercise. Based on the PPA exercise, net assets of \$6,616,000 and negative goodwill of \$979,000 arising from the acquisition was recognised on the date of acquisition.

We therefore considered accounting for acquisition as a significant risk and it is considered to be a key audit matter.

As part of our audit procedures, we have:

- Reviewed the sale and purchase agreement and other related documents to evaluate the appropriateness of the Group's accounting for the acquisition.
- Assessed the independence and competency of the independent valuation expert which included considering their experience and qualifications in performing valuations for such business combinations.
- Involved our own internal valuation experts to check the methodology and assumptions applied, and the accuracy and relevance of inputs used by the independent valuation expert. We also considered the adequacy of the disclosures on the degree of critical judgement and estimation made.
- Tested the integrity of inputs of the projected cash flows, and challenged the growth rates and discount rates used in the computations by comparing them against historical rates and available industry data, taking into consideration comparability and market factors.
- Reviewed the costs incurred for the business combination.
- Reviewed the adequacy of the disclosures included in the financial statements.

#### (b) Assessment of impairment loss on property, plant and equipment and right-of-use assets

Please refer to Note 2A to the financial statements on accounting policies, Note 2C on critical judgements, assumptions and estimation uncertainties; Note 12A on property, plant and equipment, Note 23 on right-of-use assets and the section on the audit committee's views and responses to the reported key audit matters in the annual report.

Management performed an impairment assessment of the Group's non-current non-financial assets because the Group's market capitalisation as at 30 June 2024, of approximately \$25,143,000 was below the net assets of the Group of \$60,444,000. The non-current non-financial assets comprise of property, plant and equipment ("PPE") and right-of-use assets ("ROUA") amounting to \$3,476,000 and \$1,443,000 representing approximately 4.7% and 1.9% of the Group's total assets respectively, as at 30 June 2024. Intangible assets of \$803,000, representing 1.1% of total assets, are not material to the Group.

Management considered both the market approach and cost approach (depreciated replacement cost method) in determining fair value less cost of disposal ("FVLCOD") of PPE. It was determined that cost approach is more appropriate, except for freehold land which were based on the market approach, given the unique specifications and nature of the assets. The recoverable amount of ROUA was assessed using the discounted cash flow approach. An impairment loss is the excess of the carrying value over the recoverable amount, and is recognised in profit or loss. Management also considered the relevant guidance of SFRS(I) 1-36 Impairment of Assets, operating environment as well as the operating results of subsidiaries, in evaluating the impairment allowance for the PPE and ROUA and whether the accumulated impairment allowance on PPE should be reversed as at 30 June 2024.



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LION ASIAPAC LIMITED

## Key audit matters (Continued)

### Group (Continued)

#### (b) Assessment of impairment loss on property, plant and equipment and right-of-use assets (Continued)

Management engaged independent valuation experts for assistance in its assessment. The independent valuation experts adopted the depreciated replacement cost approach for PPE (except for freehold land, which were based on the market approach) and discounted cash flow approach for ROUA. The assessment of the recoverable amount requires significant judgement and is impacted by a number of key assumptions, including useful lives of the assets and the inflation rate adjusted for historical information used.

Due to the inherent judgement involved and uncertainty, the assessment by management of the recoverable amount is considered to be a key audit matter.

As part of our audit procedures, we have:

- Evaluated management's impairment assessment which, among others, included procedures around identification of observable impairment indicators, selection of the independent valuation experts, review of the valuation report in determining the recoverable amounts of PPE and ROUA.
- Assessed the independence and competency of the independent valuation experts which included considering their experience and qualification in performing such valuations.
- Involved our own internal valuation experts to assess the appropriateness of management's valuation model, the reasonableness of certain assumptions used in the valuation process and whether the calculations within the model are performed correctly. Our own valuation experts also checked the accuracy and relevance of inputs used by the independent valuation experts. We also considered the adequacy of the disclosures on the degree of critical judgement and estimation made.
- Reviewed the adequacy of the disclosures included in the financial statements.

#### (c) Assessment of expected credit loss on trade receivables

Please refer to Note 2A to the financial statements on accounting policies, Note 2C on critical judgements, assumptions and estimation uncertainties; Note 18 on trade and other receivables and the section on the audit committee's views and responses to the reported key audit matters in the annual report.

The carrying amount of trade receivables amounted to \$14,435,000 which represents approximately 19.3% of the Group's total assets as at the reporting year end.

The determination of the amount of the expected credit loss on impairment of trade receivables requires management's judgement on the assessment of the expected credit loss allowance based on past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of economic conditions. Due to the level of judgement and uncertainty, the assessment by management of the recoverable amount is considered to be a key audit matter.

As part of our audit procedures, we have:

- Discussed and evaluated management's assessment in relation to customers' credit worthiness and expected credit losses.
- Performed other audit procedures that included reviewing payment histories and assessing recoverability by obtaining evidence of financial position of the relevant customers and/or receipts subsequent to the reporting year end.



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LION ASIAPAC LIMITED

## Key audit matters (Continued)

### Group (Continued)

#### (c) Assessment of expected credit loss on trade receivables (Continued)

- Reviewed management's process over the recoverability of outstanding trade receivables and evaluated management's assumptions used to estimate the allowance for impairment of trade receivables.
- Reviewed the adequacy of the disclosures included in the financial statements.

### Company

#### (a) Assessment of impairment loss on cost of investments in subsidiaries and long-term receivables from subsidiaries

Please refer to Note 2A to the financial statements on accounting policies, Note 2C on critical judgements, assumptions and estimation uncertainties; Note 14 on investments in subsidiaries and the section on the audit committee's views and responses to the reported key audit matters in the annual report.

As at 30 June 2024, the Company's cost of investments and long-term receivables from subsidiaries amounted to a total of \$57,696,000. Collectively, these are the net investment in subsidiaries of the Company and it represents approximately 99.1% of the total assets in the statement of financial position of the Company.

For the non-performing subsidiaries or if the subsidiaries have significant negative equity balances, the Company will have exposure to its net investments in the relevant subsidiaries. Any impairment losses will have to be recognised in the Company's separate financial statements. There is no impact from the adjustments at the Group level.

Management identified non-performing subsidiaries in addition to making a comparison of net carrying amount of the subsidiaries with the Company's share of net assets or liabilities of the subsidiaries, to identify indications of impairment and if so, to determine the impairment loss allowance on the cost of investments and long-term receivables from the subsidiaries concerned. As the aggregate value of the net investments is material and combined with the significant degree of judgement made by management in assessing impairment of net investments in subsidiaries, we determine that this is a key audit matter.

As part of our audit procedures, we have:

- Obtained an understanding on how management estimated the impairment allowance and evaluated management's process in determining the recoverable amounts.
- Discussed and evaluated management's assessment in determining the impairment allowance of investments and long-term receivables.
- Considered whether reversal of accumulated impairment is necessary.
- Reviewed financial statements of the subsidiaries for their respective financial positions.
- Reviewed the adequacy of the disclosures included in the financial statements.

### Other information

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

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



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LION ASIAPAC LIMITED

## Other information (Continued)

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

## Responsibilities of management and directors for the financial statements

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

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LION ASIAPAC LIMITED

## Auditor's responsibilities for the audit of the financial statements (Continued)

- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

## Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Eu Chee Wei David.

RSM SG Assurance LLP  
Public Accountants and  
Chartered Accountants  
Singapore

24 September 2024

Engagement partner – effective from year ended 30 June 2020

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2024

	Notes	2024 S\$'000	2023 S\$'000
<b>Revenue</b>	5	<b>41,193</b>	30,357
Other income and gains	6	<b>3,079</b>	1,338
Goods, materials and consumables used		<b>(31,815)</b>	(25,087)
Contract cost recognised		<b>(408)</b>	–
Depreciation of property, plant and equipment	12	<b>(400)</b>	(383)
Depreciation of right-of-use assets	23	<b>(436)</b>	(178)
Amortisation of intangible assets	13	<b>(322)</b>	–
Employee benefits expense	7	<b>(3,384)</b>	(2,526)
Other expenses	8	<b>(5,740)</b>	(4,378)
Changes in inventories of finished goods		<b>170</b>	44
Finance costs	9	<b>(333)</b>	(93)
Other losses	6	<b>(70)</b>	(1,997)
<b>Profit/(loss) before tax</b>		<b>1,534</b>	(2,903)
Income tax expense	10	<b>(82)</b>	(101)
<b>Profit/(loss), net of tax</b>		<b>1,452</b>	(3,004)
<b>Other comprehensive income/(loss):</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Fair value changes on equity instruments at fair value through other comprehensive income, net of tax	16A	<b>(537)</b>	1,784
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax	22B	<b>(195)</b>	(4,421)
<b>Other comprehensive loss for the year, net of tax</b>		<b>(732)</b>	(2,637)
<b>Total comprehensive income/(loss)</b>		<b>720</b>	(5,641)
Profit/(loss) attributable to			
Owners of the Company		<b>1,525</b>	(3,004)
Non-controlling interests		<b>(73)</b>	–
<b>Profit/(loss) net of tax</b>		<b>1,452</b>	(3,004)
Total comprehensive income/(loss) attributable to			
Owners of the Company		<b>793</b>	(5,641)
Non-controlling interests		<b>(73)</b>	–
<b>Total comprehensive income/(loss)</b>		<b>720</b>	(5,641)
<b>Earnings/(losses) per share</b>			
Basic and diluted earnings/(losses) per share (cents)	11	<b>1.88</b>	(3.70)

The accompanying notes form an integral part of these financial statements.





# STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Notes	Group		Company	
		2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	3,476	1,531	-	-
Right-of-use assets	23	1,443	1,083	-	-
Intangible assets	13	803	-	-	-
Investments in subsidiaries	14	-	-	57,696	56,696
Other financial assets	16	1,256	1,784	-	-
<b>Total non-current assets</b>		<b>6,978</b>	<b>4,398</b>	<b>57,696</b>	<b>56,696</b>
<b>Current assets</b>					
Inventories	17	9,131	5,409	-	-
Trade and other receivables	18	15,666	6,116	67	67
Other non-financial assets	19	552	925	-	-
Cash and cash equivalents	20	42,340	48,046	480	3,431
<b>Total current assets</b>		<b>67,689</b>	<b>60,496</b>	<b>547</b>	<b>3,498</b>
<b>Total assets</b>		<b>74,667</b>	<b>64,894</b>	<b>58,243</b>	<b>60,194</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	21	47,494	47,494	47,494	47,494
Retained earnings		22,286	20,569	9,716	11,196
Other reserves (adverse balance)	22	(10,536)	(9,804)	-	-
<b>Capital and reserves attributable to owners of the Company</b>		<b>59,244</b>	<b>58,259</b>	<b>57,210</b>	<b>58,690</b>
Non-controlling interests		1,200	-	-	-
<b>Total equity</b>		<b>60,444</b>	<b>58,259</b>	<b>57,210</b>	<b>58,690</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	10C	360	224	224	224
Lease liabilities	23	1,211	967	-	-
<b>Total non-current liabilities</b>		<b>1,571</b>	<b>1,191</b>	<b>224</b>	<b>224</b>
<b>Current liabilities</b>					
Income tax payable		-	61	-	-
Borrowings	24	5,592	-	-	-
Lease liabilities	23	365	236	-	-
Trade and other payables	25	6,695	4,778	809	1,280
Provisions	26	-	369	-	-
<b>Total current liabilities</b>		<b>12,652</b>	<b>5,444</b>	<b>809</b>	<b>1,280</b>
<b>Total liabilities</b>		<b>14,223</b>	<b>6,635</b>	<b>1,033</b>	<b>1,504</b>
<b>Total equity and liabilities</b>		<b>74,667</b>	<b>64,894</b>	<b>58,243</b>	<b>60,194</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2024

	Notes	Share capital S\$'000	Retained earnings S\$'000	Other reserves (adverse balance) S\$'000	Attributable to Company sub-total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>Group</b>							
<b>Current year:</b>							
<b>Opening balance as at 1 July 2023</b>							
		47,494	20,569	(9,804)	58,259	–	58,259
<b>Changes in equity:</b>							
Profit for the year		–	1,525	–	1,525	(73)	1,452
Other comprehensive loss		–	–	(732)	(732)	–	(732)
<b>Total comprehensive income/(loss) for the year</b>							
		–	1,525	(732)	793	(73)	720
Acquisition of subsidiaries	15	–	–	–	–	1,563	1,563
Acquisition of non-controlling interests without a change in control	15	–	192	–	192	(290)	(98)
<b>Closing balance as at 30 June 2024</b>							
		47,494	22,286	(10,536)	59,244	1,200	60,444
<b>Previous year:</b>							
<b>Opening balance as at 1 July 2022</b>							
		47,494	31,683	(7,167)	72,010	–	72,010
<b>Changes in equity:</b>							
Loss for the year		–	(3,004)	–	(3,004)	–	(3,004)
Other comprehensive loss		–	–	(2,637)	(2,637)	–	(2,637)
<b>Total comprehensive loss for the year</b>							
		–	(3,004)	(2,637)	(5,641)	–	(5,641)
Dividends paid	27	–	(8,110)	–	(8,110)	–	(8,110)
<b>Closing balance as at 30 June 2023</b>							
		47,494	20,569	(9,804)	58,259	–	58,259

The accompanying notes form an integral part of these financial statements.



# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2024

	Share capital S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>Company</b>			
Current year:			
<b>Opening balance as at 1 July 2023</b>	47,494	11,196	58,690
<b>Changes in equity:</b>			
Total comprehensive loss for the year	–	(1,480)	(1,480)
<b>Closing balance as at 30 June 2024</b>	<b>47,494</b>	<b>9,716</b>	<b>57,210</b>
Previous year:			
<b>Opening balance as at 1 July 2022</b>	47,494	19,540	67,034
<b>Changes in equity:</b>			
Total comprehensive loss for the year	–	(234)	(234)
Dividends paid (Note 27)	–	(8,110)	(8,110)
<b>Closing balance as at 30 June 2023</b>	<b>47,494</b>	<b>11,196</b>	<b>58,690</b>

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2024

	Notes	2024 S\$'000	2023 S\$'000
<b>Cash flows from operating activities</b>			
Profit/(loss) before tax		1,534	(2,903)
Adjustments for:			
Depreciation of property, plant and equipment		400	383
Depreciation of right-of-use assets		436	178
Amortisation of intangible assets		322	–
Property, plant and equipment written-off		4	6
Gain on disposal of property, plant and equipment		(111)	–
Interest income		(704)	(761)
Interest expense		333	93
Negative goodwill		(979)	–
Unrealised currency translation differences		(352)	2,673
Operating cash flows before changes in working capital		883	(331)
Inventories		209	(472)
Trade and other receivables		(4,938)	2,625
Other non-financial assets		484	(965)
Trade and other payables		(566)	1,037
Provisions		(369)	–
<b>Net cash flows (used in)/from operations</b>		<b>(4,297)</b>	<b>1,894</b>
Income tax paid		(453)	–
<b>Net cash flows (used in)/from operating activities</b>		<b>(4,750)</b>	<b>1,894</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries (net of cash acquired)	15	(1,051)	–
Acquisition of non-controlling interests	15	(98)	–
Purchase of property, plant and equipment		(604)	(417)
Disposal of property, plant and equipment		170	–
Interest received		742	335
Cash subjected to foreign exchange control		3,046	–
<b>Net cash flows from/(used in) investing activities</b>		<b>2,205</b>	<b>(82)</b>
<b>Cash flows from financing activities</b>			
Fixed deposit pledge, restricted in use		(4,144)	–
Lease liabilities		(488)	(242)
Dividends paid to owners of the Company		–	(8,110)
Repayment of borrowings		(8,063)	–
Proceeds from borrowings		8,733	–
Interest paid		(241)	–
<b>Net cash flows used in financing activities</b>		<b>(4,203)</b>	<b>(8,352)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(6,748)</b>	<b>(6,540)</b>
Cash and cash equivalents, statement of cash flows, beginning balance		16,239	24,042
Effects of currency translation on cash and cash equivalents		(56)	(1,263)
<b>Cash and cash equivalents, statement of cash flows, ending balance</b>	20	<b>9,435</b>	<b>16,239</b>

The accompanying notes form an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2024

## Reconciliation of liabilities arising from financing activities:

	Opening balance S\$'000	Proceeds, principal and interest payments S\$'000	Acquisition of subsidiaries S\$'000	Non-cash charges			Closing balance S\$'000
				New leases S\$'000	Interest expense S\$'000	Foreign exchange movement S\$'000	
<b>2024:</b>							
Lease liabilities	1,203	(488)	283	496	92	(10)	1,576
Borrowings	–	440	4,971	–	230	(49)	5,592
<b>2023:</b>							
Lease liabilities	1,173	(242)	–	271	93	(92)	1,203

The accompanying notes form an integral part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 1. GENERAL

The Company (Registration No: 196800586R) is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore with limited liability. The address of its registered office is 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957. The financial statements are presented in Singapore dollars and they cover the Company (referred to as "parent") and the subsidiaries.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are described in Note 14. The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

### Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and the related Interpretations to SFRS(I) ("SFRS(I) INT") as issued by the Accounting Standards Committee under ACRA ("ASC"). They comply with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

### Basis of preparation of the financial statements

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

### Basis of presentation and principles of consolidation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee. They are de-consolidated from the date that control ceases.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act 1967, the Company's separate statement of profit or loss and other comprehensive income is not presented.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 2A. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION

### Revenue and income recognition

General – Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, and modifications), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sale of goods – Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Interest income is recognised using the effective interest method.

### Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). Certain subsidiaries overseas have defined contribution retirement benefit plans in which employees are entitled to join upon fulfilling certain conditions. The assets of the fund may or may not be held separately from those of the reporting entity in an independently administered fund. The entity contributes a fixed percentage of the salary of each participating employee. For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

### Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 2A. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### Translation of financial statements of other entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

### Income tax

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current income tax is the expected tax payable on the taxable income for the reporting year; calculated using rates enacted or substantively enacted at the statements of financial position date; and inclusive of any adjustment to income tax payable or recoverable in respect of previous reporting years. Deferred tax is recognised using the liability method; based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective income tax bases; and determined using tax rates that have been enacted or substantively enacted by the reporting year end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

### Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for certain leased assets, the shorter lease term). An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle.

### Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum unavoidable lease payments. A corresponding right-of-use asset is recorded. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as a finance cost. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

### Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment, and depreciated over the lease terms.





# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 2A. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

### Business combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities that are recognised in accordance with the financial reporting standard on financial instruments. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under the financial reporting standard on business combinations. If there is gain on bargain purchase, a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

### Non-controlling interest

The non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant Note.

### Intangible assets other than goodwill

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less accumulated amortisation and any accumulated impairment losses.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 2A. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the weighted average method. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

### Carrying amounts of non-financial assets

The carrying amount of non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is expensed.

### Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Categories of financial assets and financial liabilities:

The financial reporting standard on financial instruments has four categories of financial assets and two categories of liabilities. At the end of the reporting year, the reporting entity had the following categories of financial assets and financial liabilities:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
- Financial asset that is an equity investment measured at fair value through other comprehensive income ("FVTOCI"): On initial recognition of an equity investment that is not held for trading, an irrevocably election may be made to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Fair value changes are recognised in OCI but dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. The gain or loss that is presented in OCI includes any related foreign exchange component arising on non-monetary investments (eg, equity instruments). On disposal, the cumulative fair value changes are not recycled to profit or loss but remain in reserves within equity. The weighted average or specific identification method is used when determining the cost basis of equities being disposed of.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 2A. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### Financial instruments (Continued)

Categories of financial assets and financial liabilities: (Continued)

- Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

### Cash and cash equivalents

Cash comprises cash on hand and demand deposits. For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, and items of income or expense associated with investing or financing cash flows.

### Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are material differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

### Other specific material accounting policy information and other explanatory information

These are disclosed at the relevant notes to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 2B. OTHER EXPLANATORY INFORMATION

### Financial information by operating segments

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker to allocate resources and in assessing performance. Generally, financial information on segments is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

Two or more operating segments may be aggregated into a single operating segment if in the judgement of management the segments have similar economic characteristics, and the segments are similar in some respects such as the nature of the products and services; production processes; type or class of customer; distribution methods.

## 2C. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

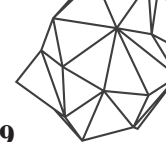
The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Assessment of purchase price allocation exercise:

As described in Note 15, the purchase price allocation exercise related to the acquisition of Semangat Meriah Sdn. Bhd. and its subsidiaries was completed during the current reporting year. This requires significant management judgement and estimation because the values had not previously been assigned to the subsidiaries as a standalone operation. In addition, consideration has to be given in determining the assumptions that underlie the acquisition accounting and the useful lives associated with the acquired intangible assets which involves significant management judgment.

Assessment of impairment loss on property, plant and equipment and right-of-use assets:

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of property, plant and equipment is measured based on the fair value less costs of disposal; and the right-of-use assets was assessed based on discounted cash flow approach. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of property, plant and equipment and right-of-use assets at the end of the reporting year affected by the assumptions amounted to \$3,476,000 and \$1,443,000 (2023: \$1,531,000 and \$1,083,000) respectively.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 2C. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (CONTINUED)

Assessment of expected credit loss on trade receivables:

The assessment of the expected credit losses (“ECL”) requires a degree of estimation and judgement. In measuring the expected credit losses. Management considers all reasonable and supportable information such as the reporting entity’s past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note on trade and other receivables.

Assessment of impairment loss on cost of investments in subsidiaries and long-term receivables from subsidiaries:

Where an investee is in net equity deficit and or has suffered losses, a test is made whether the investment in the investee has suffered any impairment loss. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the subsidiaries affected. The carrying amount of the subsidiaries at the end of the reporting year affected by the assumption for the Company is \$57,696,000 (2023: \$56,696,000).

## 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Tan Sri Cheng Heng Jem, a director of the Company.

### 3A. Related party transactions and balances

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, service or obligation if any, are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

### 3A. Related party transactions and balances (Continued)

In addition to the information disclosed elsewhere in the notes to the financial statements, other related party transactions include the following:

Material related party transactions:

	Group	
	2024	2023
	S\$'000	S\$'000
Related parties:		
Revenue – sale of goods and services	13,564	19,852
Purchases of goods	(93)	(161)
Rental paid/payable	(105)	(111)
Penalties received for shortfall on minimum purchases	669	324
Maintenance expense	–	167
Reversal of natural gas compensation claim	201	–

Related parties are entities that are controlled by Tan Sri Cheng Heng Jem.

### 3B. Key management compensation

	Group and Company	
	2024	2023
	S\$'000	S\$'000
Salaries and other short-term employee benefits	1,014	824
Contribution to defined contribution plans	93	74
	1,107	898

The above amounts are included under employee benefits expense. Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Further information about the remuneration of individual directors is provided in the report on corporate governance.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

### 3C. Other receivables from and other payables to related parties

	Group	
	2024 S\$'000	2023 S\$'000
<u>Related parties:</u>		
<u>Other receivables:</u>		
At beginning of the year	221	221
Amounts paid out and settlement of liabilities on behalf of related parties	50	18
Foreign exchange adjustments	(1)	(18)
At end of the year (Note 18)	<b>270</b>	221
<u>Other payables:</u>		
At beginning of the year	(179)	(165)
Amounts paid out/(in) and settlement of liabilities on behalf of related parties/the Company	128	(27)
Foreign exchange adjustments	-	13
At end of the year (Note 25)	<b>(51)</b>	(179)
	<b>Company</b>	
	2024	2023
	S\$'000	S\$'000
<u>Subsidiaries:</u>		
<u>Other receivables:</u>		
At beginning of the year	9	-
Amounts paid (in)/out and settlement of liabilities on behalf of the Company/subsidiaries	(9)	9
At end of the year (Note 18)	-	9
<u>Other payables:</u>		
At beginning of the year	(801)	(817)
Amounts paid out and settlement of liabilities on behalf of the subsidiaries	713	16
At end of the year (Note 25)	<b>(88)</b>	(801)

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

### 4A. Information about reportable segment profit or loss, assets and liabilities

For management purposes, the reporting entity is organised into the following major strategic operating segments that offer different products and services: (1) Supply of roofing solution (2) lime sales, (3) trading, (4) investment holding. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system.

# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

### 4A. Information about reportable segment profit or loss, assets and liabilities (Continued)

It represents the basis on which the management reports, the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

- Supply of roofing solutions – total solution provider for metal roofing and wall cladding.
- Lime sales – production and sales of quicklime, hydrated lime and quicklime powder.
- Trading – trading of consumable required for steel product manufacturing and trading of mining equipment.
- Investment holding – managing investments.

### 4B. Profit or loss from continuing operations and reconciliations

	Supply roofing solution S\$'000	Lime sales S\$'000	Trading S\$'000	Investment holding S\$'000	Total S\$'000
<b>2024:</b>					
Revenue	14,065	15,476	11,652	–	41,193
Segment results	132	9	(515)	(1,101)	(1,475)
Other income and gains	1,302	981	355	441	3,079
Other losses	(39)	(26)	–	(5)	(70)
Profit before tax					1,534
Income tax expense					(82)
Profit for the year					1,452
Non-cash expenses					
Depreciation and amortisation	577	428	147	6	1,158
<b>2023:</b>					
Revenue	–	14,166	16,191	–	30,357
Segment results	–	(1,141)	(539)	(564)	(2,244)
Other income and gains	–	476	273	589	1,338
Other losses	–	(443)	(336)	(1,218)	(1,997)
Loss before tax					(2,903)
Income tax expense					(101)
Loss for the year					(3,004)
Non-cash expenses					
Depreciation	–	438	123	–	561





# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

### 4C. Assets and reconciliations

	Supply roofing solution S\$'000	Lime sales S\$'000	Trading S\$'000	Investment holding S\$'000	Total S\$'000
<b>2024:</b>					
Reportable segment assets and consolidated total assets	<b>20,561</b>	<b>15,473</b>	<b>21,069</b>	<b>17,564</b>	<b>74,667</b>
<b>2023:</b>					
Reportable segment assets and consolidated total assets	–	19,532	16,966	28,396	64,894

### 4D. Liabilities and reconciliations

	Supply roofing solution S\$'000	Lime sales S\$'000	Trading S\$'000	Investment holding S\$'000	Total S\$'000
<b>2024:</b>					
Reportable segment liabilities	<b>9,269</b>	<b>3,619</b>	<b>242</b>	<b>733</b>	<b>13,863</b>
Unallocated:					
Deferred tax liabilities					<b>360</b>
Consolidated total liabilities					<b>14,223</b>
<b>2023:</b>					
Reportable segment liabilities	–	5,163	580	668	6,411
Unallocated:					
Deferred tax liabilities					224
Consolidated total liabilities					<b>6,635</b>

### 4E. Other material items and reconciliations

	Supply roofing solution S\$'000	Lime sales S\$'000	Trading S\$'000	Investment holding S\$'000	Total S\$'000
<b>2024:</b>					
Capital expenditure	<b>135</b>	<b>405</b>	–	<b>64</b>	<b>604</b>
<b>2023:</b>					
Capital expenditure	–	415	273	–	688

The Group's products are sold to local and overseas markets. The management reviews the financial results by business segment to assess performance and make resource allocation decisions.

There are no significant sales or other transactions between the business segments. The revenue from external parties reported to the management is measured in a manner consistent with that in the consolidated statement of profit or loss and other comprehensive income. All assets and liabilities are allocated to reportable segments other than income tax liabilities.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

### 4F. Geographical information

The Group's business segments operated in below geographical areas:

Malaysia – the main activity is lime sales, trading; and provider of roofing solution.

Singapore – the main activity is investment holding and trading.

	Revenue		Non-current assets	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Malaysia	41,193	30,339	5,672	2,396
Australia	–	–	1,240	1,784
Singapore	–	9	66	218
Others	–	9	–	–
	<b>41,193</b>	<b>30,357</b>	<b>6,978</b>	<b>4,398</b>

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and deferred tax assets.

### 4G. Information about major customers

	2024 S\$'000	2023 S\$'000
Top 1 customer in lime sales and trading	11,889	19,679
Top 2 customers in lime sales and trading	14,714	22,005
Top 3 customers in lime sales and trading	16,948	23,821

## 5. REVENUE

Revenue from contracts with customers

	Group	
	2024 S\$'000	2023 S\$'000
Sale of goods	41,193	30,357

All contracts are less than 12 months and revenue are recognised based on point in time.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 6. OTHER INCOME AND GAINS AND (OTHER LOSSES)

	Group	
	2024 S\$'000	2023 S\$'000
Interest income	704	761
Penalties from shortfall on minimum purchases	669	324
Rental recharged	100	98
Reversal of natural gas compensation claim – related party (Note 26)	201	–
Incentive claim income	39	52
Management fee income	11	12
Negative goodwill (Note 15)	979	–
Gain on disposal of property, plant and equipment	111	–
Inventories written back	239	–
Others	26	91
Foreign exchange translation losses	(43)	(1,554)
Inventory adjustment	–	(443)
Impairment loss on trade receivables	(27)	–
	<b>3,009</b>	<b>(659)</b>
Presented in profit or loss as:		
Other income and gains	<b>3,079</b>	1,338
Other losses	<b>(70)</b>	(1,997)
Net	<b>3,009</b>	<b>(659)</b>

## 7. EMPLOYEE BENEFITS EXPENSE

	Group	
	2024 S\$'000	2023 S\$'000
Short term employee benefits expense	3,024	2,247
Employer's contribution to defined contribution plans	281	209
Other benefits	79	70
Total employee benefits expense	<b>3,384</b>	<b>2,526</b>

## 8. OTHER EXPENSES

The material components and other selected components include the following:

	Group	
	2024 S\$'000	2023 S\$'000
Audit fees to the independent auditor of the Company	115	89
Audit fees to the other independent auditor – network firms	50	21
Audit fees to the other independent auditor – non-network firms	4	5
Legal fee	461	63
Professional fee relating to acquisition of subsidiaries	59	–
Materials handling	598	376
Transportation expense	1,079	1,210
Utilities	<b>1,555</b>	<b>1,275</b>

# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 9. FINANCE COSTS

	Group	
	2024 S\$'000	2023 S\$'000
Interest expense	241	–
Interest on lease liabilities	92	93
Total finance costs	<b>333</b>	93

## 10. INCOME TAX

### 10A. Components of income tax expense/(income) recognised in profit or loss

	Group	
	2024 S\$'000	2023 S\$'000
<u>Current tax expense:</u>		
Current tax expense	263	103
Over adjustments in respect of prior periods	(45)	(2)
Subtotal	<b>218</b>	101
<u>Deferred tax income:</u>		
Deferred tax income	(109)	–
Over adjustments in respect of prior periods	(27)	–
Subtotal	<b>(136)</b>	–
Total income tax expense	<b>82</b>	101

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2023: 17.0%) to profit or loss before income tax as a result of the following differences:

	Group	
	2024 S\$'000	2023 S\$'000
Profit/(loss) before tax	<b>1,534</b>	(2,903)
Income tax expense/(income) at the above rate	261	(494)
Expenses not deductible for tax purposes	270	814
Stepped income exemption	(3)	–
Effect of different tax rates in different countries	140	(462)
Income not subject to tax	(286)	(120)
Utilisation of deferred tax assets not recognised previously	(298)	–
Over adjustments to tax in respect of prior years	(72)	(2)
Deferred tax assets not recognised	69	365
Foreign exchange adjustments	1	–
Total income tax expense	<b>82</b>	101

### 10B. Deferred tax income recognised in profit or loss

	Group	
	2024 S\$'000	2023 S\$'000
Excess of book value of intangible assets over tax values	(136)	–
Total deferred tax income recognised in profit or loss	<b>(136)</b>	–



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 10. INCOME TAX (CONTINUED)

### 10C. Deferred tax balance in the statement of financial position

	Group		Company	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
From deferred tax liabilities recognised in profit or loss:				
Foreign income not remitted	(224)	(224)	(224)	(224)
Excess of book value of intangible assets over tax values	(136)	–	–	–
Total deferred tax liabilities	<b>(360)</b>	(224)	<b>(224)</b>	(224)

	Group			
	Gross		Unrecognised deferred tax assets	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Unrecognised deferred tax assets:				
Unused tax losses available	16,463	16,202	3,589	3,554
Unabsorbed allowances	9,345	10,445	2,243	2,507
Unrecognised deferred tax assets	<b>25,808</b>	26,647	<b>5,832</b>	6,061

Included in unrecognised deferred tax assets are amounts for tax losses of \$2,709,000 (2023: \$2,784,000) that will expire in 2025. The other unrecognised deferred tax assets on unused tax losses and unabsorbed allowance may be carried forward indefinitely.

The utilisation of the above deferred tax asset is subject to conditions imposed by law including the retention of majority shareholders defined.

## 11. EARNINGS/(LOSSES) PER SHARE

The basic losses per share is calculated by dividing the Group's profit/(loss), net of tax attributable to owners of the Company for the reporting year by the weighted average number of ordinary shares outstanding during the year.

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share:

	Group	
	2024	2023
Profit/(loss), net of tax attributable to owners of the Company (\$'000)	1,525	(3,004)
Weighted average number of ordinary shares ('000) (Note 21)	81,105	81,105
Earnings/(losses) per share (cents)	<b>1.88</b>	(3.70)

The diluted earnings/(losses) per share is the same as the basic losses per share as there were no share options outstanding (2023: Nil).

# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 12. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land S\$'000	Road work, leasehold buildings and infrastructure S\$'000	Plant and machinery S\$'000	Office equipment, signboard, and motor vehicles S\$'000	Furniture and fittings S\$'000	Construction-in-progress S\$'000	Total S\$'000
<u>Cost:</u>							
At 1 July 2022	689	382	27,845	905	77	9	29,907
Additions	–	24	40	15	15	323	417
Written-off	–	–	(84)	(1)	–	–	(85)
Reclassifications	–	197	55	–	–	(252)	–
Foreign exchange adjustments	(57)	(32)	(2,375)	(14)	(6)	(14)	(2,498)
At 30 June 2023	632	571	25,481	905	86	66	27,741
Arising from acquisition of subsidiaries <sup>(a)</sup>	1,711	16	92	20	1	–	1,840
Additions <sup>(a)</sup>	152	63	118	103	–	168	604
Disposals	–	–	–	(694)	–	–	(694)
Written-off	–	–	(209)	(2)	–	–	(211)
Reclassifications	–	40	138	–	–	(178)	–
Foreign exchange adjustments	(21)	(6)	(199)	(4)	–	–	(230)
At 30 June 2024	<b>2,474</b>	<b>684</b>	<b>25,421</b>	<b>328</b>	<b>87</b>	<b>56</b>	<b>29,050</b>
<u>Accumulated depreciation and impairment:</u>							
At 1 July 2022	–	293	27,002	837	54	–	28,186
Depreciation for the year	–	18	344	16	5	–	383
Written-off	–	–	(76)	(3)	–	–	(79)
Foreign exchange adjustments	–	(25)	(2,234)	(17)	(4)	–	(2,280)
At 30 June 2023	–	286	25,036	833	55	–	26,210
Depreciation for the year	–	31	341	22	6	–	400
Disposals	–	–	–	(635)	–	–	(635)
Written-off	–	–	(206)	(1)	–	–	(207)
Foreign exchange adjustments	–	(4)	(186)	(4)	–	–	(194)
At 30 June 2024	<b>–</b>	<b>313</b>	<b>24,985</b>	<b>215</b>	<b>61</b>	<b>–</b>	<b>25,574</b>
<u>Carrying value:</u>							
At 1 July 2022	689	89	843	68	23	9	1,721
At 30 June 2023	632	285	445	72	31	66	1,531
At 30 June 2024	<b>2,474</b>	<b>371</b>	<b>436</b>	<b>113</b>	<b>26</b>	<b>56</b>	<b>3,476</b>

- (a) The freehold land acquired through the acquisition of subsidiaries and additions made to freehold land during the reporting year relates to progress payments for a plot of freehold land in Malaysia, as part of the sales and purchase agreement entered into on 28 April 2021. The final payment was made on 31 July 2024. As of the date of this report, the Group has not received the title deed for the land. Refer to Note 28.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The useful lives are as follows:

	<b>Useful lives</b>
Freehold land	Not depreciated
Roadwork, leasehold buildings and infrastructure	20 years
Plant and machinery	1 – 15 years
Office equipment, signboard and motor vehicles	2.5 – 10 years
Furniture and fittings	3 – 10 years
Construction-in-progress	Not depreciated until the asset is ready for intended use

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

### 12A. Assessment of impairment loss on property, plant and equipment

The Group engaged independent valuation experts, Roma Appraisals Limited and PA International Property Consultants Sdn. Bhd., for assistance in management's assessment of the valuation for property, plant and equipment ("PPE") held by subsidiary, Compact Energy Sdn. Bhd., and to assess the valuation of freehold land held by the subsidiary, Swissma Building Technologies Sdn. Bhd., for the reporting year ended 30 June 2024, respectively.

The Group considered both the market approach and cost approach (depreciated replacement cost method) in determining fair value less cost of disposal ("FVL COD"). It was determined that cost approach is more appropriate, except for freehold land which were based on the market approach, given the unique specifications and nature of the PPE.

The cost approach considers the cost to reproduce, in new condition, the appraised assets in accordance with current market prices for assets, with allowance for depreciation arising from condition, utility, age, wear and tear or obsolescence present, taking into consideration past and present maintenance policy and rebuilding history. This approach generally furnishes a reliable indication of value for the assets in the absence of known market based on comparable sales. Due to the unobservable inputs, it is classified as a level 3 fair value.

As recoverable amount is based on the higher of fair value less costs of disposal and value-in-use, management adopted the fair value less costs of disposal as the valuation technique for the PPE in both 2024 and 2023. During the reporting year, as there were no improvements to the operational profitability of the relevant plant and equipment, no reversal on impairment loss to the carrying amount of the PPE was required.

Key assumptions and inputs used to determine the recoverable amount based on FVL COD:

1. The assets are kept in reasonable condition and capable of operating for the purpose for which they are designed and produced.
2. The useful lives of the assets are appropriate.
3. Inflation rate adjusted for forward-looking estimates used.

# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 13. INTANGIBLE ASSETS

Group	Customer contracts S\$'000	Purchase orders S\$'000	Trademarks S\$'000	Customer relationships S\$'000	Total S\$'000
<u>Cost:</u>					
At 1 July 2022 and 30 June 2023	–	–	–	–	–
Arising from acquisition of subsidiaries	362	120	97	559	1,138
Foreign exchange adjustments	(4)	–	(3)	(6)	(13)
At 30 June 2024	<b>358</b>	<b>120</b>	<b>94</b>	<b>553</b>	<b>1,125</b>
<u>Accumulated amortisation:</u>					
At 1 July 2022 and 30 June 2023	–	–	–	–	–
Amortisation for the year	188	120	–	14	322
Foreign exchange adjustments	*	*	*	*	*
At 30 June 2024	<b>188</b>	<b>120</b>	<b>–</b>	<b>14</b>	<b>322</b>
<u>Carrying value:</u>					
At 1 July 2022 and 30 June 2023	–	–	–	–	–
At 30 June 2024	<b>170</b>	<b>–</b>	<b>94</b>	<b>539</b>	<b>803</b>

(\*) Amount is less than \$1,000

The useful lives are as follows:

	Useful lives
Customer contracts	1.6 years up to 31 March 2025, based on the customer contracts' fulfilment duration.
Purchase orders	7 months up to 31 March 2024, based on the customer purchase order's fulfilment duration.
Trademarks	Indefinite
Customer relationships	20 years

Assessment is made at each reporting date by evaluating conditions specific to the reporting entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.





# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 14. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 S\$'000	2023 S\$'000
Unquoted equity shares at cost	28,062	5,087
Loan receivables <sup>(a)</sup>	81,029	101,567
Allowance for impairment	(51,395)	(49,958)
Carrying value	<b>57,696</b>	56,696

(a) Loan receivables from subsidiaries are classified as investment in subsidiaries as these are deemed as long-term receivables in nature.

	Company	
	2024 S\$'000	2023 S\$'000
<u>Movements during the year. At carrying value:</u>		
Balance at beginning of the year	56,696	63,054
(Allowance)/reversal of impairment loss <sup>(b)</sup>	(1,437)	170
Additions/(repayment) of loan receivables	2,437	(6,528)
Balance at end of the year	<b>57,696</b>	56,696
<u>Movements in allowance for impairment:</u>		
Balance at beginning of the year	49,958	50,128
Allowance/(reversal) of impairment loss to profit or loss of the Company <sup>(b)</sup>	1,437	(170)
Balance at end of the year	<b>51,395</b>	49,958

(b) The net tangible assets/liabilities of relevant subsidiaries were considered to assess the allowance for impairment. There was an allowance for impairment of \$1,437,000, as a result of the subsidiaries' weakened financial positions. While in 2023, there was an improvement in the financial positions of the subsidiaries, which has resulted in the reversal of impairment of \$170,000.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The subsidiaries that are all wholly-owned by the Group are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities	Unquoted equity shares at cost	
	2024 S\$'000	2023 S\$'000
Held by the Company: LAP Trading & Marketing Pte. Ltd. <sup>(1)</sup> Singapore Trading of scrap metal	4,750	4,750
LAP Investment Pte. Ltd. <sup>(1)</sup> Singapore Investment holding	*	*
LAP Exploration Pte. Ltd. <sup>(1)</sup> Singapore Investment holding	*	*
LAP Development Pte. Ltd. <sup>(1)</sup> Singapore Investment holding	*	*
Ternair Jaya Sdn. Bhd. <sup>(2)</sup> Malaysia Investment holding	*	*
Lion Asiapac Management Consultancy (Shanghai) Co., Ltd. <sup>(3)</sup> The People's Republic of China Investment holding	337	337
Compact Energy Sdn. Bhd. ("CESB") <sup>(2)(6)</sup> Malaysia Lime sales	22,975	—



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiaries, country of incorporation, place of operations and principal activities	Effective percentage of equity held by Group	
	2024	2023
Held by subsidiaries:		
LAP Energy Sdn. Bhd. <sup>(2)</sup> Malaysia Manufacture and sale of dry cargo containers (Ceased operations in financial year ended 2000)	100%	100%
Semangat Meriah Sdn. Bhd. <sup>(2)(7)</sup> Malaysia Investment holding	100%	–
Swissma Building Technologies Sdn. Bhd. <sup>(2)(7)</sup> Malaysia Trading of roofing materials, construction and roofing works	100%	–
Associated Steel Industries (M) Sdn. Bhd. <sup>(2)(7)</sup> Malaysia Manufacturing of galvanised iron and coloured galvanised iron roofing sheets	65%	–
LAP Trading (Shanghai) Co., Ltd <sup>(4)</sup> The People's Republic of China Trading	100%	100%
LAP Marshall Pte Ltd <sup>(5)</sup> The Marshall Islands Investment holding	100%	100%

(1) Audited by RSM SG Assurance LLP, Singapore.

(2) Audited by RSM Malaysia, member firm of RSM International of which RSM SG Assurance LLP is a member.

(3) Audited by SBA Stone Forest Certified Public Accountants Co., Ltd., an affiliated firm of RSM SG Assurance LLP.

(4) Other independent auditor. Audited by firms of accountants other than member firms of RSM International network firms. Their name is Shanghai Wei-Zhong Yong-Guang Certified Public Accountants Co., Ltd. (Ordinary partnership).

(5) It is not required to be audited under the laws of the country of incorporation. The amount is not material.

(6) On 26 July 2023, pursuant to a restructuring exercise, the Company purchased 100% of the shares of CESB from its subsidiary, LAP Investment Pte. Ltd., for a consideration of \$1. On 29 September 2023, CESB capitalised \$22,975,000 of the loan from the Company and issued 80,000,000 ordinary shares.

(7) Semangat Meriah Sdn. Bhd. and its subsidiaries, Swissma Building Technologies Sdn. Bhd. and Associated Steel Industries (M) Sdn. Bhd., became subsidiaries of the Group on 30 August 2023, upon completion of the acquisition (Note 15).

(\*) Amount is less than \$1,000.

# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 15. ACQUISITION OF SUBSIDIARIES

On 30 August 2023, the Group acquired Semangat Meriah Sdn. Bhd. and its subsidiaries (incorporated in Malaysia) and from that date the Group gained control. The acquisition was made, as it provides an opportunity for the group to enter Malaysia's construction market and widen its bases of revenue and profits.

The subsidiaries acquired by the Group were as follows:

Name of subsidiaries	Effective interest acquired
Semangat Meriah Sdn. Bhd.	100.00%
Swissma Building Technologies Sdn. Bhd.	96.79%
Associated Steel Industries (M) Sdn. Bhd.	65.00%

The investees became subsidiaries (also see Note 14 for the principal activities). The transaction was accounted for by the acquisition method of accounting.

Management has finalised the purchase price allocation exercise and identified the fair value of identifiable assets and liabilities as at date of acquisition. The fair values of identifiable assets acquired and liabilities assumed are shown below:

Group	Fair value S\$'000
30 August 2023:	
Property, plant and equipment	1,840
Right-of-use assets	312
Intangible assets	1,138
Other financial assets	9
Inventories	4,010
Trade and other receivables	4,736
Other non-financial assets	74
Cash and cash equivalents	2,688
Income tax payable	(103)
Borrowings	(4,971)
Lease liabilities	(283)
Trade and other payables	(2,544)
Deferred tax liabilities	(290)
Net assets acquired	6,616
Non-controlling interests at fair value <sup>(a)</sup>	(1,563)
Negative goodwill arising on acquisition <sup>(b)</sup>	(979)
Purchase consideration transferred in cash	4,074

(a) The non-controlling interest of 35% in the acquiree at the acquisition date was measured based on the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

(b) The excess of \$979,000 of the acquirer's interest in the net fair value of the identifiable assets and liabilities over the cost of the business combination has been recognised in the profit or loss. It arose from intangible assets of \$1,138,000 which were recognised as a result of the acquisition, comprising mainly of customer contracts and customer relationships. Management engaged an independent consultant to measure the fair values.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 15. ACQUISITION OF SUBSIDIARIES (CONTINUED)

The Group incurred acquisition related costs of \$59,000 (Note 8).

The consideration transferred is as follows:

	2024 S\$'000
<u>Net cash outflow arising on acquisition:</u>	
Cash consideration	4,074
Deferred purchase consideration payable (Note 25)	(335)
Less: Cash and cash equivalent acquired	(2,688)
Net cash flow on acquisition	<u>1,051</u>

Information on the revenue and profit or loss from the acquisition made during the year:

	From date of acquisition in 2024 S\$'000	For the reporting year 2024 S\$'000
Revenue	14,065	17,036
Profit after tax	<u>834</u>	<u>862</u>

### Acquisition of additional interest in non-controlling interests

On 8 November 2023, the Group, through Semangat Meriah Sdn. Bhd., a wholly-owned subsidiary, acquired the remaining 3.21% of the issued shares of Swissma Building Technologies Sdn. Bhd. for a purchase consideration of approximately \$98,000. The carrying amount of the non-controlling interests in Swissma Building Technologies Sdn. Bhd. on the date of acquisition was \$290,000. The Group derecognised the non-controlling interests of \$290,000 and recorded an increase in equity attributable to owners of the Company of \$192,000.

## 16. OTHER FINANCIAL ASSETS

	Group	
	2024 S\$'000	2023 S\$'000
<u>Balance is made up of:</u>		
Investment in equity shares at FVTOCI	<u>1,256</u>	<u>1,784</u>

### 16A. Movements in balances

	Group	
	2024 S\$'000	2023 S\$'000
<u>Movements during the year:</u>		
Fair value at beginning of the year	1,784	–
Arising from acquisition of subsidiaries	9	–
(Decrease)/increase in fair value through other comprehensive income	(537)	1,784
Fair value at end of the year	<u>1,256</u>	<u>1,784</u>

Other financial assets comprised mainly of quoted shares of Mindax Limited, which is listed on the Australian Securities Exchange (“ASX”). This investment is classified as level 1 in the fair value hierarchy as it is traded in an active market.

# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 16. OTHER FINANCIAL ASSETS (CONTINUED)

### 16B. Disclosures relating to investment in equity shares at FVTOCI

The information gives a summary of the significant sector concentrations within the investment portfolio:

	Group	
	2024 S\$'000	2023 S\$'000
<u>Fair value at end of the year:</u>		
Quoted equity shares:		
Australia	1,240	1,784
Unquoted equity shares:		
Malaysia <sup>(a)</sup>	-	-
Quoted equity shares:		
Singapore <sup>(b)</sup>	16	-
	Group	
	2024 %	2023 %
<u>Percentage of equity held by the Group:</u>		
Quoted equity shares:		
Australia	1.6	1.6
Unquoted equity shares:		
Malaysia <sup>(a)</sup>	*	*
Quoted equity shares:		
Singapore <sup>(b)</sup>	*	-

(\*) Percentage holding is not significant.

(a) The unquoted investment is an equity interest in Lion Corporation Berhad ("LCB"), acquired by a subsidiary of the Company in a scheme of arrangement for overdue trade receivables owed by a related party in 2012. LCB was delisted from Bursa Malaysia in 2018, as such the investment has been fully impaired and classified as level 3.

(b) The quoted investment is an equity interest in Hong Lai Huat Group Limited, which was listed on the mainboard of Singapore Exchange ("SGX") on 21 June 2000 and Frankfurt Stock Exchange on 6 December 2021 respectively.

The investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the investment securities.

## 17. INVENTORIES

	Group	
	2024 S\$'000	2023 S\$'000
Raw materials and consumables	8,413	4,963
Finished goods	718	446
	<b>9,131</b>	<b>5,409</b>

There are no inventories pledged as security for liabilities.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Trade receivables:				
Outside parties	5,452	2,644	-	-
Related parties <sup>(a)</sup>	9,160	2,845	-	-
Less: allowance for impairment	(177)	-	-	-
Net trade receivables	14,435	5,489	-	-
Other receivables:				
Outside parties	835	242	67	1
Related parties (Note 3) <sup>(a)(b)</sup>	270	221	-	9
Interest receivables	126	164	-	57
Net other receivables	1,231	627	67	67
Total trade and other receivables	15,666	6,116	67	67

	Group	
	2024 S\$'000	2023 S\$'000
Movements in above allowance:		
At beginning of the year	-	-
Arising from acquisition of subsidiaries	150	-
Allowance for impairment loss (Note 6)	27	-
At end of the year	177	-

(a) Related parties are entities that are controlled by Tan Sri Cheng Heng Jem.

(b) Other receivables mainly consist of an amount of \$Nil (2023: \$166,000) which pertains to partial amount of reimbursable cost payable to Gas Malaysia Berhad rechargeable to the related parties (Note 26).

There are no collaterals held as security and other credit enhancements for the trade receivables.

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade customers is about 30 days (2023: 30 days). But some customers take a longer period to settle the amounts.

The expected credit losses ("ECL") on the above trade receivables, are based on the simplified approach to measure ECL which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL. The allowance model is based on the historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates including the impact of the current economic conditions. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 18. TRADE AND OTHER RECEIVABLES (CONTINUED)

The loss allowance was determined as follows for trade receivables:

Group	Gross amount S\$'000	Loss allowance S\$'000
<b>2024:</b>		
Current	5,963	10
1 to 30 days past due	3,013	11
31 to 60 days past due	3,361	8
61 to 90 days past due	1,492	27
Over 91 days past due	783	121
Total	<b>14,612</b>	<b>177</b>
Group	Gross amount S\$'000	Loss allowance S\$'000
<b>2023:</b>		
Current	4,046	–
1 to 30 days past due	518	–
31 to 60 days past due	428	–
61 to 90 days past due	365	–
Over 91 days past due	132	–
Total	<b>5,489</b>	<b>–</b>

At each subsequent reporting date, for the individual larger balances, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

Concentration of trade receivable customers as at the end of reporting year:

	Group	
	2024 S\$'000	2023 S\$'000
Top 1 customer	5,117	2,680
Top 2 customers	6,295	3,581
Top 3 customers	<b>7,410</b>	<b>4,144</b>

### Other receivables

The other receivables shown above are subject to the ECL allowance assessment under the financial reporting standard on financial instruments. For these material balances judgement is required for the assessment of the credit risk graded individually. At inception they are recorded net of any expected 12 month expected credit losses. At the end of the reporting year a loss allowance is recognised if there has been a material increase in credit risk since initial recognition. For any material increase or decrease in credit risk an adjustment is made to the loss allowance for the material balances. The credit risk grade assessed is based on predictive nature of the risk of loss (such as the use of internal and external ratings, audited financial statements, management accounts and available published information about customers about debtors that is available without undue cost or effort) and applying experienced credit judgement.





# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 18. TRADE AND OTHER RECEIVABLES (CONTINUED)

Other receivables are normally with no fixed terms and therefore there is no fixed maturity date. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk.

## 19. OTHER NON-FINANCIAL ASSETS

	Group	
	2024 S\$'000	2023 S\$'000
Advance payments	223	516
Deposits to secure services	97	301
Prepayments	149	79
GST recoverable	30	29
Income tax receivables	53	–
	<b>552</b>	<b>925</b>

## 20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Cash at bank and on hand	9,019	10,996	480	467
Fixed deposits <sup>(a)</sup>	33,321	37,050	–	2,964
Cash at end of the year	<b>42,340</b>	<b>48,046</b>	<b>480</b>	<b>3,431</b>

### Cash and cash equivalents in the statement of cash flows:

	Group	
	2024 S\$'000	2023 S\$'000
Amount as shown above	42,340	48,046
Cash subjected to foreign exchange control <sup>(b)</sup>	(28,761)	(31,807)
Fixed deposits pledged for bank facilities <sup>(c)</sup>	(4,144)	–
Cash and cash equivalents in the statement of cash flows	<b>9,435</b>	<b>16,239</b>

(a) Cash and cash equivalents bear interest rates from 0.8% to 3.75% (2023: 0% to 4.15%) per annum.

(b) Subject to foreign exchange control in the People's Republic of China.

(c) Part of the fixed deposits are pledged to a bank for bank facilities granted to a subsidiary.

## 21. SHARE CAPITAL

	Number of shares issued '000	Share capital S\$'000
<b>Group and Company</b>		
Ordinary shares of no par value:		
Balances as at 1 July 2022, 30 June 2023 and 30 June 2024	81,105	47,494

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 21. SHARE CAPITAL (CONTINUED)

### Capital management

The objectives when managing capital are: to safeguard the reporting Company's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to shareholders, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves). In order to maintain its listing on the Singapore Exchange, the Company has to have share capital with a free float of at least 10% of the issued shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives shareholding reports from the share registrar regularly to ensure continuing compliance with the 10% free-float requirement throughout the reporting year.

There are borrowings but the Group has sufficient cash and cash equivalents to repay it in full. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings.

## 22. OTHER RESERVES

	Group	
	2024 S\$'000	2023 S\$'000
Statutory reserve (Note 22A)	180	180
Currency translation reserve (Note 22B)	(14,075)	(13,880)
Capital reserve (Note 22C)	2,112	2,112
Fair value reserve (Note 22D)	1,247	1,784
Total at the end of the year (adverse balance)	<b>(10,536)</b>	<b>(9,804)</b>

### 22A. Statutory reserve

	Group	
	2024 S\$'000	2023 S\$'000
At beginning of the year and end of the year	<b>180</b>	180

In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the People's Republic of China ("PRC"), wholly-owned subsidiaries are required to make appropriation to statutory reserve fund ("SRF"). At least 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiaries' registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiaries. The SRF is not available for dividend distribution to shareholders.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 22. OTHER RESERVES (CONTINUED)

### 22B. Currency translation reserve

	Group	
	2024 S\$'000	2023 S\$'000
At beginning of the year	(13,880)	(9,459)
Net currency translation differences from consolidation of foreign operations	(195)	(4,421)
At end of the year (adverse balance)	<b>(14,075)</b>	<b>(13,880)</b>

Currency translation reserve comprises the exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency and the exchange differences on monetary items which form part of the Group's net investment in foreign operations.

### 22C. Capital reserve

	Group	
	2024 S\$'000	2023 S\$'000
At beginning of the year and end of the year	<b>2,112</b>	<b>2,112</b>

The capital reserve arose from bonus share issue through retained profits by a subsidiary.

### 22D. Fair value reserve

	Group	
	2024 S\$'000	2023 S\$'000
At beginning of the year	1,784	–
(Decrease)/increase in fair value of equity investments at FVTOCI	(537)	1,784
At end of the year	<b>1,247</b>	<b>1,784</b>

Fair value reserve comprises the aggregate cumulative fair value changes of investments in equity shares at FVTOCI.

All the reserves classified on the face of the statement of financial position as retained earnings represents past accumulated earnings and are distributable as cash dividends. The other reserves are not available for cash dividends unless realised.

# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 23. LEASE LIABILITIES AND RIGHT-OF-USE ASSETS

The right-of-use assets in the statement of financial position are as follow:

Group	Land S\$'000	Office S\$'000	Factory S\$'000	Motor vehicles S\$'000	Total S\$'000
<u>Cost:</u>					
At 1 July 2022	1,209	307	–	–	1,516
Additions	–	271	–	–	271
Foreign exchange adjustments	(81)	(2)	–	–	(83)
At 30 June 2023	1,128	576	–	–	1,704
Arising from acquisition of subsidiaries	–	–	161	151	312
Additions	–	–	496	–	496
Written-off	–	–	(153)	–	(153)
Foreign exchange adjustments	(7)	–	(8)	(1)	(16)
At 30 June 2024	<b>1,121</b>	<b>576</b>	<b>496</b>	<b>150</b>	<b>2,343</b>
<u>Accumulated depreciation:</u>					
At 1 July 2022	189	254	–	–	443
Depreciation of the year	58	120	–	–	178
Foreign exchange adjustments	*	*	–	–	*
At 30 June 2023	247	374	–	–	621
Depreciation of the year	55	144	199	38	436
Written-off	–	–	(153)	–	(153)
Foreign exchange adjustments	*	*	(4)	*	(4)
At 30 June 2024	<b>302</b>	<b>518</b>	<b>42</b>	<b>38</b>	<b>900</b>
<u>Carrying value:</u>					
At 1 July 2022	1,020	53	–	–	1,073
At 30 June 2023	881	202	–	–	1,083
<b>At 30 June 2024</b>	<b>819</b>	<b>58</b>	<b>454</b>	<b>112</b>	<b>1,443</b>

(\*) Amount is less than \$1,000

The useful lives are as follows:

	Useful lives
Land	27 years to 30 years
Office	2 years
Factory	2 years
Motor vehicles	5 years

For the underlying assets, expected useful lives are determined by reference to comparable owned assets or the lease term, if shorter. Material residual value estimates and estimates of useful life are updated as required annually.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 23. LEASE LIABILITIES AND RIGHT-OF-USE ASSETS (CONTINUED)

Lease liabilities are presented in the statement of financial position as follows:

	Group	
	2024 S\$'000	2023 S\$'000
Lease liabilities, current	365	236
Lease liabilities, non-current	1,211	967
	<b>1,576</b>	<b>1,203</b>

A summary of the maturity analysis of lease liabilities is disclosed in Note 29E. Total cash outflows from leases are shown in the statement of cash flows.

Leases for right-of-use-assets – the reporting entity has a few leases relating to the land, office space, factory and motor vehicles. Other information about the leasing activities are summarised as follows: the lease prohibits the lessee from selling or pledging the underlying leased asset as security unless permitted by the owner, with remaining terms ranging from 1 to 15 years (2023: 1 to 16 years); there are no variable payments linked to an index.

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets.

Lease liabilities under operating leases are secured by the right-of-use assets because these will revert to the lessor in the event of default.

The weighted average incremental borrowing rate applied to lease liabilities recognised ranged between 2.18% to 8.25% (2023: 2.90% to 8.25%). The interest expense on lease liabilities amounted to \$92,000 (2023: \$93,000).

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use assets, or profit and loss if the right-of-use assets is already reduced to zero.

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

### Assessment of impairment loss on right-of-use assets

The Group engaged independent valuation expert, Roma Appraisals Limited, for assistance in management's assessment of right-of-use assets ("ROUA") amounting to \$820,000 held by subsidiary, Compact Energy Sdn. Bhd., for the reporting year ended 30 June 2024. The remaining ROUA amounting to \$623,000 was not assessed as the amount is not material.

The recoverable amount of ROUA was assessed using the discounted cash flow ("DCF") approach. The key input used to determine the recoverable amount is the incremental borrowing rate adjusted with risk premium. As the recoverable amount approximates the carrying amount of ROUA as at 30 June 2024, there are no indicators of impairment.

# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 24. BORROWINGS

	Group	
	2024 S\$'000	2023 S\$'000
Bank borrowings	5,592	–

These borrowings are secured by a placement of fixed deposits. The weighted effective interest rate ranges from 2.18% to 2.76%.

## 25. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Trade payables:				
Outside parties	3,859	2,827	–	–
Other payables:				
Outside parties	1,031	944	244	242
Deferred purchase consideration (Note 15)	335	–	–	–
Related parties (Note 3)	51	179	–	–
Subsidiaries (Note 3)	–	–	88	801
Accrued liabilities	1,419	828	477	237
Other payables – subtotal	2,836	1,951	809	1,280
Total trade and other payables	6,695	4,778	809	1,280

## 26. PROVISIONS

	Group	
	2024 S\$'000	2023 S\$'000
Provision for contractual obligations	–	369
Movement in above provision:		
At beginning of the year	369	402
Reversal of natural gas compensation claim (Note 6)	(201)	–
Recharged to related parties	(165)	–
Foreign exchange adjustments	(3)	(33)
At end of the year	–	369

In 2018, the Group made a provision for reimbursable cost in respect to the works carried out by Gas Malaysia Berhad (“GMB”) for the construction of gas distribution pipeline and related facilities for a subsidiary of the Company.

The Group entered into an agreement with its related parties to indemnify the subsidiary for shortfall claim, late payment charges, penalty or other costs payable to GMB. Partial amount of the reimbursable cost payable to GMB is rechargeable to its related parties (Note 18), and the remaining balance was expensed off in 2018.

In 2024, the Group obtained a formal indemnity agreement from a related party, for the contractual obligation. Consequently, the provision was reversed.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 27. DIVIDENDS

	Group and Company			
	Rate per share – cents			
	2024	2023	2024 S\$'000	2023 S\$'000
Final tax exempt dividend paid	-	10	-	8,110
Total dividends paid in the year	-	10	-	8,110

## 28. CAPITAL COMMITMENTS

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2024 S\$'000	2023 S\$'000
Commitments to purchase of property, plant and equipment	152	-

## 29. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS AND OTHER EXPLANATORY INFORMATION

### 29A. Categories of financial assets and financial liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	58,006	54,162	547	3,498
Financial assets at FVOCI	1,256	1,784	-	-
At end of the year	59,262	55,946	547	3,498
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	13,863	5,981	809	1,280
At end of the year	13,863	5,981	809	1,280

Further quantitative disclosures are included throughout these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 29. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### 29B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate risk, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not formally documented in written form. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. All financial risk management activities are carried out and monitored by senior management staff.
3. All financial risk management activities are carried out following acceptable market practices.

### 29C. Fair values of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

### 29D. Credit risk on financial assets

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure expected credit losses ("ECL") allowance on financial assets the ECL allowance. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 20 discloses the cash balances. There was no identified impairment loss.





# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 29. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### 29E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2023: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year S\$'000	1 – 3 years S\$'000	3 – 5 years S\$'000	Over 5 years S\$'000	Total S\$'000
<u>Non-derivative</u>					
<u>financial liabilities:</u>					
<b>2024:</b>					
Borrowings	5,715	–	–	–	5,715
Gross lease liabilities	452	476	227	1,056	2,211
Trade and other payables	6,695	–	–	–	6,695
At end of the year	<b>12,862</b>	<b>476</b>	<b>227</b>	<b>1,056</b>	<b>14,621</b>
<u>Non-derivative</u>					
<u>financial liabilities:</u>					
<b>2023:</b>					
Gross lease liabilities	264	279	212	1,150	1,905
Trade and other payables	4,778	–	–	–	4,778
At end of the year	5,042	279	212	1,150	6,683
<b>Company</b>					
<u>Non-derivative financial liabilities:</u>					
<b>2024:</b>					
Trade and other payables					809
At end of the year					<b>809</b>
<u>Non-derivative financial liabilities:</u>					
<b>2023:</b>					
Trade and other payables					1,280
At end of the year					<b>1,280</b>

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 29. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### 29F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
<u>Financial assets with interest:</u>				
Fixed rates	<b>33,321</b>	37,050	–	2,964
<u>Financial liabilities with interest:</u>				
Fixed rates	<b>7,168</b>	1,203	–	–

Sensitivity analysis: The impact of a change in interest rates on fixed interest rate financial instruments has not been assessed in terms of changing of their fair value.

### 29G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency that is a currency other than the functional currency in which they are measured. Currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency as defined in the financial reporting standard on financial instruments.

Analysis of amounts denominated in non-functional currency:

Group	US Dollar S\$'000	China Renminbi S\$'000	Singapore Dollar S\$'000	Total S\$'000
<b>2024:</b>				
<u>Financial assets:</u>				
Cash and cash equivalents	<b>23</b>	<b>5,293</b>	–	<b>5,316</b>
Trade and other receivables	–	<b>264</b>	–	<b>264</b>
Total financial assets	<b>23</b>	<b>5,557</b>	–	<b>5,580</b>
<b>2023:</b>				
<u>Financial assets:</u>				
Cash and cash equivalents	23	11,182	–	11,205
Trade and other receivables	–	–	177	177
Total financial assets	23	11,182	177	11,382



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 29. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### 29G. Foreign currency risks (Continued)

There were no material balances in non-functional currency held by the Company at the end of the reporting year.

Sensitivity analysis:

	Group	
	2024	2023
	S\$'000	S\$'000
A hypothetical 1% (2023: 1%) strengthening in the exchange rate of the functional currency against the China Renminbi with all other variables held constant would have an adverse effect on pre-tax (loss) profit of	<u>(56)</u>	<u>(112)</u>

The effect on Group's and Company's pre-tax (loss) profit for other non-functional currencies are not significant.

The above table shows sensitivity to a hypothetical percentage variation in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

### 29H. Equity price risk

There are investments in financial instruments. Such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the financial instruments. The fair values of these are disclosed in Note 16.

## 30. EVENTS AFTER THE END OF THE REPORTING YEAR

Following the Company's announcement on 4 July 2024, 1207791 B.C. Limited (the "Purchaser") has commenced arbitration proceedings against the Company at the Singapore International Arbitration Centre based on a dispute arising out of a Share Purchase Agreement (SPA) dated 1 September 2023.

The purchaser is primarily seeking a declaration that the cut-off date in the SPA has been extended and the provisions contained therein remain in full force and in effect, as well as an order for the Company to convene an extraordinary general meeting for the purpose of seeking shareholders' approval for the sale of the Company shares in Compact Energy Sdn. Bhd. to the Purchaser. In the alternative, the Purchase is seeking damages for the Company alleged breach of the SPA (the "Arbitration claim"). The damages have not been quantified by the Purchaser and is not reasonably estimable at this stage.

The Company has engaged and is in consultation with legal advisers in relation to the Arbitration Claim and will take all steps necessary to defend the Arbitration Claim.

Save for the above, there are no other significant developments subsequent to the release of the Group's and Company's preliminary financial statements, as announced on 19 August 2024, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.



# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 31. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised financial reporting standards were issued by the ASC. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

<b>SFRS (I) No.</b>	<b>Title</b>
SFRS(I) 1-8	Definition of Accounting Estimates – Amendments to
SFRS(I) 1-12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to

## 32. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

The Group has not adopted the following financial reporting standards applicable to the Group (with no material impact expected) that have been issued but not yet effective:

<b>SFRS (I) No.</b>	<b>Title</b>	<b>Effective date for periods beginning on or after</b>
SFRS (I) 1-1	Presentation of Financial Statements – amendment relating to Classification of Liabilities as Current or Non-current	1 Jan 2024



# ANNEXURE

## RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

### RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

At the 53<sup>rd</sup> annual general meeting (“**AGM**”) of the Company held on 31 October 2023, shareholders of the Company (“**Shareholders**”) approved the renewal of general mandate for interested person transactions (the “**IPT Mandate**”) that will enable the Company, its subsidiaries and associated companies, or any of them that are entities at risk, to enter into certain transactions with the mandated interested persons (the “**Mandated Interested Persons**”) as set out in the IPT Mandate.

Pursuant to Chapter 9 of the listing manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), a general mandate for transactions with interested persons is subject to annual renewal. The IPT Mandate was expressed to take effect until the conclusion of the next AGM of the Company, being the forthcoming 54<sup>th</sup> AGM.

Accordingly, the directors of the Company (the “**Directors**”) are proposing that the approval of Shareholders for the renewal of the IPT Mandate be sought at the 54<sup>th</sup> AGM of the Company to be held at The Conference Room, 10 Arumugan Road, #10-00 LTC Building A, Singapore 409957 on 30 October 2024 at 11.00 a.m.

General information relating to Chapter 9 of the Listing Manual is set out in pages 102 to 103 of this Annexure.

If Shareholders are in any doubt as to the contents herein or as to the course of action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Annexure.

#### 1. Rationale for the Renewal of the IPT Mandate

It is envisaged that the Company, its subsidiaries that are not listed on the SGX-ST or an approved exchange and its associated companies that are not listed on the SGX-ST or an approved exchange over which the Company and its subsidiaries, or the Company and its subsidiaries and their interested person(s), have control (collectively, the “**Group**”), or any company within the Group, will, in the ordinary course of their businesses, enter into transactions (the “**Mandated Interested Person Transactions**”) with the Mandated Interested Persons for mutual benefit. Such Mandated Interested Person Transactions are likely to occur with some degree of frequency, and could arise at any time. Such Mandated Interested Person Transactions would include the provision of goods and services in the ordinary course of business of the Group to the Mandated Interested Persons or the obtaining of services from such Mandated Interested Persons.

In particular, it is expected that the Group will, from time to time, receive management, administrative and operational support services from, or provide management, administrative and operational support services to, its Mandated Interested Persons in areas of logistics, information technology, legal, compliance, corporate secretarial, tax, accounting, internal audit and leasing of space for warehousing or office purposes. By having access to and providing such management, administrative and operational support, the Group will derive operational and financial leverage in its dealings with third parties as well as benefits from the global network of its Mandated Interested Persons. Such management, administrative and operational support services are necessary for the day-to-day operations of the Group and are thus in the ordinary course of business of the Group.

Given that the Mandated Interested Person Transactions are expected to be recurrent transactions and may occur at any time, and to allow the Group to undertake such transactions in a more expeditious manner, the Directors are seeking the approval of Shareholders for the renewal of the IPT Mandate for the purposes of Chapter 9 of the Listing Manual and for the Group to enter into the categories of Mandated Interested Person Transactions with the Mandated Interested Persons as set out in paragraphs 4 and 3 below, respectively.



# ANNEXURE

## RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

### 2. Benefits of the IPT Mandate

The IPT Mandate is intended to facilitate the carrying out of the Mandated Interested Person Transactions in the normal course of business of the Group which are transacted, from time to time, with the Mandated Interested Persons, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The IPT Mandate will enhance the ability of the companies in the Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when the need to enter into a specified category of Mandated Interested Person Transactions with a Mandated Interested Person arises. This will reduce the expenses associated with convening of general meetings on an *ad hoc* basis, improve administrative efficiency considerably, and allow manpower resources and time to be channelled towards attaining other corporate objectives available to the Group.

### 3. Names of Mandated Interested Persons

The IPT Mandate will apply to the Mandated Interested Person Transactions (as described in paragraph 4 below) with the following Mandated Interested Persons:

S/No.	Name of the Mandated Interested Person	Principal activities
1.	Amsteel Mills Sdn Bhd	It is involved in the manufacture of billets, steel bars and wire rods, for use in construction, fabrication and manufacturing industries.
2.	Bonus Essential Sdn Bhd	It is involved in property investment and property development.
3.	CEDR Corporate Consulting Sdn Bhd	It provides competency-based human resource development solutions and systems for training and development of human resources (training provider).
4.	Lion Industries Corporation Berhad	It is an investment holding company and is involved in property development.
5.	Lion Mining Sdn Bhd	It is involved in the mining and trading of mineral resources.
6.	Lion Steel Sdn Bhd	It is involved in the production of flat steel products.
7.	Lion Steelworks Sdn Bhd	It is involved in the manufacture of quality custom-made furniture, steel office furniture, home office desk furniture, physical security products, industrial steel storage system, industrial.
8.	Lion Titco Resources Sdn Bhd	It is a slag processing and metal extraction business.
9.	Lion Tooling Sdn Bhd	It is involved in the manufacturing and reconditioning of knives, rollers, machinery and engineering parts for various industries and precision electrical discharge machining and vacuum heat treatment for special steel.
10.	Lion Trading & Marketing Sdn Bhd	It is involved in the sale and marketing of steel office furniture, physical security products, industrial steel storage system and other steel related fabricated products.
11.	Parkson Investment Holding Co., Ltd 金狮百盛投资有限公司	It is an investment holding company. It also provides bookkeeping and accounting services to the Company's subsidiary in Shanghai.



# ANNEXURE

## RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

### 3. Names of Mandated Interested Persons (Continued)

S/No.	Name of the Mandated Interested Person	Principal activities
12.	Parkson Supplies Pte Ltd	It is involved in the wholesale and trade of a variety of goods without a dominant product and other holding company. It leases office space from the Company.
13.	Posim Petroleum Marketing Sdn Bhd	It is involved in the trading of building materials, petroleum-based products including automotive and industrial lubricants under the 'Hi-Rev' and 'T-Trax' brands, and automotive components.
14.	Secom (Malaysia) Sdn Bhd	It is a security solutions provider.
15.	Shanghai Hongqiao Parkson Development Co Ltd. 上海虹桥百盛商贸有限公司	Its operates and owns a departmental store. It also leases office space to the Company's subsidiary in Shanghai.
16.	Shanghai DEBier Management Consulting Co., Ltd. 上海华狮管理咨询有限公司	It provides investment consulting, business consulting, market research and business development planning (operating under license involving licensed business) services.
17.	Shanghai AMB Management Consulting Co., Ltd. 上海银狮管理咨询有限公司	It provides enterprise management consulting, investment consulting, business consulting, international economic information consulting, trade information consulting, science and technology consulting and market research (involving licensed business on the basis of license) services.

All of the Mandated Interested Persons are associates of Tan Sri Cheng Heng Jem, who is a Non-Executive Director and controlling shareholder of the Company.

Transactions with interested persons that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

### 4. Categories of Mandated Interested Person Transactions

The transactions entered into by the Group with the Mandated Interested Persons which will be covered by the IPT Mandate are as follows:

#### 4.1 Sale of Lime Products

The Group will supply lime products to the Mandated Interested Persons. The basis of determining the contract and/or transaction terms are defined herein below.

#### 4.2 Sale of Consumables Required for Steel Product Manufacturing

The Group will supply consumables required for steel product manufacturing to the Mandated Interested Persons. The basis of determining the contract and/or transaction terms are defined herein below.

#### 4.3 Provision and/or Obtaining of Services arising from Business Operations

The Group will in the ordinary course of business provide or obtain, *inter alia*, management, administrative and operational support services in areas of logistics, information technology, legal, compliance, corporate secretarial, tax, accounting, internal audit and leasing of space for warehousing and office purposes relating to its business operations. The basis of determining the contract and/or transaction terms are defined herein below.



# ANNEXURE

## RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

### 4. Categories of Mandated Interested Person Transactions (Continued)

#### 4.4 Supply of Mining Equipment, Machinery, Heavy Vehicles and Related Spare Parts

The Group intends to supply mining equipment, machinery, heavy vehicles and related spare parts to the Mandated Interested Persons. The basis of determining the contract and/or transaction terms are defined herein below.

The IPT Mandate will not cover any transaction by a company in the Group with a Mandated Interested Person that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions.

### 5. Methods and Procedures for Mandated Interested Person Transactions

To ensure that the Mandated Interested Person Transactions are conducted on normal commercial (or, in the absence of other similar comparable transactions, fair and reasonable) terms and will not be prejudicial to the interests of the Company and its minority Shareholders, as a general rule the Group will only enter into transactions with the Mandated Interested Persons if the terms offered by or extended to the Mandated Interested Persons are respectively no less favourable or more favourable than the terms that may be obtainable from or extended to unrelated third parties.

5.1 In general, the Group has internal control procedures to ensure that the Mandated Interested Person Transactions are undertaken at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

#### (a) Sale of Lime Products

The methods and procedures are as follows:

- (i) all contracts entered into or transactions with Mandated Interested Persons are to be carried out at the prevailing market prices determined by market conditions on terms which are no more favourable to the Mandated Interested Persons than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential prices/rates/discounts accorded to a class of customers or for bulk purchases and long-term contracts where the giving of such preferential prices/rates/discounts are commonly practised within the applicable industry and may be extended to unrelated third parties), or otherwise in accordance with applicable industry norms. The Company will source for documented evidences of market prices and quotations, where practicable, for ascertaining the reasonableness of the pricing;
- (ii) where the prevailing market prices or rates are not available due to the lack of demand for the lime products from unrelated third parties (as it may not be economically viable for such unrelated third parties to purchase from the Group after taking into account transportation costs) or the then prevailing business conditions, the Company will apply a reasonable percentage mark-up from cost to ensure that the pricing for such products or services to a Mandated Interested Person is in accordance with industry norms and usual business practices, the strategic direction of the Group, pricing policies of the relevant company in the Group and the Group obtains a positive gross margin on the transactions. The Company will seek the Audit Committee's prior approval for the percentage mark-up on a quarterly basis. In determining the percentage mark-up for such products, the Audit Committee will take into account factors such as, but not limited to, specifications, quantity, volume, customer requirements, duration of contract, cost of funds to the Group and credit worthiness; and





# ANNEXURE

## RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

### 5. Methods and Procedures for Mandated Interested Person Transactions (Continued)

#### 5.1 (Continued)

##### (a) Sale of Lime Products (Continued)

(iii) notwithstanding the aforementioned, prior approval will have to be sought for contracts and transactions in accordance with the following thresholds:

- (A) contracts and transactions amounting to or exceeding S\$100,000 but less than S\$500,000 in value to be reviewed and approved by the Group Internal Audit Manager;
- (B) contracts and transactions amounting to or exceeding S\$500,000 but less than S\$1,000,000 in value to be reviewed and approved by the Group Internal Audit Manager and any one of the members of the Audit Committee (who does not have an interest in the contracts and/or transactions); or
- (C) contracts and transactions amounting to or exceeding S\$1,000,000 in value to be reviewed and approved by the Audit Committee.

##### (b) Sale of Consumables Required for Steel Product Manufacturing

The methods and procedures are as follows:

- (i) all contracts entered into or transactions with Mandated Interested Persons are to be carried out at the prevailing market prices determined by market conditions on terms which are no more favourable to the Mandated Interested Persons than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential prices/rates/discounts accorded to a class of customers or for bulk purchases and long-term contracts where the giving of such preferential prices/rates/discounts are commonly practised within the applicable industry and may be extended to unrelated third parties), or otherwise in accordance with applicable industry norms. The Company will source for documented evidences of market prices and quotations, where practicable, for ascertaining the reasonableness of the pricing;
- (ii) where the prevailing market prices or rates are not available due to the lack of demand for the same or substantially similar products by unrelated third parties (as it may not be economically viable for such unrelated third parties to purchase from the Group after taking into account transportation costs) or the then prevailing business conditions, the Company will apply a reasonable percentage mark-up from cost to ensure that the pricing for such products or services to a Mandated Interested Person is in accordance with industry norms and usual business practices, the strategic direction of the Group, pricing policies of the relevant company in the Group and the Group obtains a positive gross margin on the transactions. The Company will seek the Audit Committee's prior approval for the percentage mark-up on a quarterly basis. In determining the percentage mark-up for such products, the Audit Committee will take into account factors such as, but not limited to, specifications, quantity, volume, customer requirements, duration of contract, cost of funds to the Group and credit worthiness; and



# ANNEXURE

## RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

### 5. Methods and Procedures for Mandated Interested Person Transactions (Continued)

#### 5.1 (Continued)

##### (b) Sale of Consumables Required for Steel Product Manufacturing (Continued)

(iii) notwithstanding the aforementioned, prior approval will have to be sought for contracts and transactions in accordance with the following thresholds:

- (A) contracts and transactions amounting to or exceeding S\$100,000 but less than 2% of the Group's latest audited net tangible assets ("**NTA**") to be reviewed and approved by the Group Internal Audit Manager;
- (B) contracts and transactions amounting to or exceeding 2% of the Group's latest audited NTA but less than 5% of the Group's latest audited NTA to be reviewed and approved by the Group Internal Audit Manager and any one of the members of the Audit Committee (who does not have an interest in the contracts and/or transactions); or
- (C) contracts and transactions amounting to or exceeding 5% of the Group's latest audited NTA to be reviewed and approved by the Audit Committee.

##### (c) Provision and/or Obtaining of Services arising from Business Operations

The methods and procedures are as follows:

- (i) all contracts entered into or transactions with Mandated Interested Persons are to be carried out at the prevailing market prices determined by market conditions on terms which are no more favourable to the Mandated Interested Persons than the usual commercial terms extended to or obtained from unrelated third parties (including, where applicable, preferential prices/rates/discounts accorded to a class of customers and long-term contracts where the giving of such preferential prices/rates/discounts are commonly practised within the applicable industry and may be extended to or obtained from unrelated third parties), or otherwise in accordance with applicable industry norms. The Company will source for documented evidences of market prices, where practicable, for ascertaining the reasonableness of the pricing;
- (ii) where the prevailing market prices or rates are not available due to the nature of the services to be provided to a Mandated Interested Person, the lack of demand for the same or substantially similar services by unrelated third parties or the then prevailing business conditions (such as the provision of information technology services by the Group to the Mandated Interested Persons or the supply of utilities by the Group to the Mandated Interested Persons as the Group is the main account holder for such services utilised by the entities within the Group and Mandated Interested Persons), the Company will apply a reasonable percentage mark-up from cost or through a formula, to ensure that the pricing for such services to the Mandated Interested Person is in accordance with industry norms and usual business practices, the transfer pricing guidelines issued by the relevant tax authorities (if applicable), the strategic direction of the Group, pricing policies of the relevant company in the Group and the Group obtains a positive gross margin on the transactions. The Company will seek the Audit Committee's prior approval for the percentage mark-up on a quarterly basis. In determining the percentage mark-up for such services, the Audit Committee will take into account factors such as but not limited to, service requirements, duration of contract, credit worthiness, cost of funds to the Group and the benefit of such transactions to the Group;



# ANNEXURE

## RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

### 5. Methods and Procedures for Mandated Interested Person Transactions (Continued)

#### 5.1 (Continued)

##### (c) Provision and/or Obtaining of Services arising from Business Operations (Continued)

- (iii) where the prevailing market prices or rates are not available due to the nature of the services to be obtained from a Mandated Interested Person (for example, where the Mandated Interested Person is the sole provider of such services which includes administrative services for bookkeeping and statutory filing purposes, which are provided by the Mandated Interested Persons in the People's Republic of China (the "PRC") to the Group's subsidiary in the PRC), the Company will assess and ensure that the pricing for such services from the Mandated Interested Person is not prejudicial to the interests of the Company and its minority Shareholders and/or is in accordance with industry norms and usual business practices. In determining the transaction price or rate payable by the Group for such services, the Audit Committee will take into account factors such as, but not limited to, service requirements, duration of contract, credit worthiness, cost of funds to the Group and the benefit of such transactions to the Group;
- (iv) in relation to leasing arrangements entered into between the Company and Mandated Interested Persons, the rental fees will be determined based on third party valuations; and
- (v) notwithstanding the aforementioned, prior approval will have to be sought for contracts and transactions in accordance with the following thresholds:
  - (A) contracts and transactions amounting to or exceeding S\$100,000 but less than S\$500,000 in value to be reviewed and approved by the Group Internal Audit Manager;
  - (B) contracts and transactions amounting to or exceeding S\$500,000 but less than S\$1,000,000 in value to be reviewed and approved by the Group Internal Audit Manager and any one of the members of the Audit Committee (who does not have an interest in the contracts and/or transactions); or
  - (C) contracts and transactions amounting to or exceeding S\$1,000,000 in value to be reviewed and approved by the Audit Committee.

##### (d) Supply of Mining Equipment, Machinery, Heavy Vehicles and Related Spare Parts

The methods and procedures are as follows:

- (i) all contracts entered into or transactions with the Mandated Interested Persons are to be carried out at terms which will be no less favourable than those offered by the Group to at least two (2) unrelated third party customers after taking into consideration various factors including, *inter alia*, the size of the transaction, the product specifications, the delivery schedule, the payment milestones as well as freight and installation charges (the "**Relevant Factors**");



# ANNEXURE

## RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

### 5. Methods and Procedures for Mandated Interested Person Transactions (Continued)

#### 5.1 (Continued)

##### (d) Supply of Mining Equipment, Machinery, Heavy Vehicles and Related Spare Parts (Continued)

- (ii) where such unrelated third party comparisons are not available (for example, due to the lack of sale of the same or similar products to unrelated third party customers, customisation of the products required by the Mandated Interested Persons according to the requirements of their mines or the then prevailing business conditions), the Company will apply a percentage mark-up from cost, to ensure that the pricing for such products to the Mandated Interested Person is in accordance with industry norms and usual business practices, the strategic direction of the Group and pricing policies of the relevant company in the Group and the Group obtains a positive gross margin on the transactions. The Company will seek the Audit Committee's prior approval for the percentage mark-up on a quarterly basis. In determining the percentage mark-up for such products, the Audit Committee will take into account the Relevant Factors as well as other applicable factors (such as the terms offered by suppliers and cost of funds to the Group) to ensure that the Group will always achieve a better return from such transactions; and
- (iii) notwithstanding the aforementioned, prior approval will have to be sought for contracts and transactions in accordance with the following thresholds:
  - (A) contracts and transactions amounting to or exceeding S\$100,000 but less than 2% of the Group's latest audited NTA shall be reviewed and approved by the Group Internal Audit Manager;
  - (B) contracts and transactions amounting to or exceeding 2% of the Group's latest audited NTA but less than 5% of the Group's latest audited NTA shall be reviewed and approved by the Group Internal Audit Manager and any one of the members of the Audit Committee (who does not have an interest in the contracts and/or transactions); or
  - (C) contracts and transactions amounting to or exceeding 5% of the Group's latest audited NTA shall be reviewed and approved by the Audit Committee.

The thresholds as set out above are determined by factors which include, *inter alia*, the potential frequency of the contracts/transactions, the indicative cost of the products and the anticipated contract/transaction volume.

#### 5.2 Additional Controls

- (a) The Company will maintain a register of transactions carried out with Mandated Interested Persons pursuant to the IPT Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into) and those transactions that are below S\$100,000.
- (b) The Group Internal Audit Manager shall sample review the transactional documents relating to the sale of lime products and provision and/or obtaining of services arising from business operations to or from the Mandated Interested Persons once every six (6) months.
- (c) The Company's annual internal audit plan shall incorporate a review of (i) all Mandated Interested Person Transactions; and (ii) the established methods and procedures for monitoring of such Mandated Interested Person Transactions, in the relevant financial year pursuant to the IPT Mandate.



# ANNEXURE

## RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

### 5. Methods and Procedures for Mandated Interested Person Transactions (Continued)

#### 5.2 Additional Controls (Continued)

- (d) The Audit Committee shall review and approve the maximum value ("**Pre-Approved Cap**") of Mandated Interested Person Transactions for each category of Mandated Interested Person Transactions for the forthcoming 12 months or for a shorter period, as may be determined by the Audit Committee. The Pre-Approved Cap shall be determined based on historical values of the Mandated Interested Person Transactions, the indicative pricing of future Mandated Interested Person Transactions and the latest audited NTA of the Group. Notwithstanding that a contract or a transaction is within the thresholds set out in paragraphs 5.1(a)(iii), 5.1(b)(iii), 5.1(c)(v) or 5.1(d)(iii) above, ratification shall be sought from the Audit Committee should the Pre-Approved Cap for that contract or transaction be breached.
- (e) The Group Internal Audit Manager shall report to the Audit Committee on all Mandated Interested Person Transactions, and the basis of such transactions, entered into with Mandated Interested Persons during the preceding period every three (3) months. The Audit Committee shall review such Mandated Interested Person Transactions at its periodic meetings except where the Mandated Interested Person Transactions are required under the established methods and procedures to be approved by the Audit Committee prior to the entry thereof.
- (f) The Audit Committee will conduct periodic reviews at least once every six (6) months, of the established methods and procedures for Mandated Interested Person Transactions. If, during these periodic reviews, the Audit Committee is of the view that these methods and procedures are no longer appropriate or sufficient to ensure that the Mandated Interested Person Transactions are transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh IPT Mandate from the Shareholders based on new methods and procedures for Mandated Interested Person Transactions. While a fresh IPT Mandate is being sought from the Shareholders, the Audit Committee shall review and approve all Mandated Interested Person Transactions prior to the entry thereof.
- (g) For the purposes of the above review and approval process, any Director who is not considered independent for the purposes of the IPT Mandate and/or any Mandated Interested Person Transactions will abstain from voting on any resolution relating thereof, and/or abstain from participating in the Audit Committee's decision during its review of the established methods and procedures for the Mandated Interested Person Transactions or during its review or approval of any Mandated Interested Person Transaction.

#### 5.3 Further Compliance

The Directors will ensure that all relevant disclosures, approvals and other requirements on Mandated Interested Person Transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with.

### 6. Validity Period of the IPT Mandate

If approved by Shareholders at the 54<sup>th</sup> AGM, the IPT Mandate will take effect from the date of the passing of the ordinary resolution for the renewal of the IPT Mandate, and will continue to be in force until the conclusion of the next AGM of the Company or the date by which such AGM is required by law to be held, whichever is earlier, unless revoked or varied by the Company in a general meeting.



# ANNEXURE

## RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

### 7. Disclosure

Pursuant to Rule 920(1)(a) of the Listing Manual:

- (a) disclosure will be made in the annual report of the Company, giving details of the aggregate value of the interested person transactions conducted pursuant to the IPT Mandate during the financial year under review and in the annual reports for the subsequent financial years during which the IPT Mandate is in force, as required by the provisions of the Listing Manual;
- (b) announcements will be made with regard to the aggregate value of the interested person transactions conducted pursuant to the IPT Mandate for the financial periods which the Company is required to report on pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report; and
- (c) the names of the interested persons and the corresponding aggregate value of the interested person transactions will be presented in the following format (pursuant to Rule 907 of the Listing Manual):

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)

### 8. Directors' and Substantial Shareholders' Interests in the Company

The interests of the Directors and substantial shareholders of the Company ("**Substantial Shareholders**") in the ordinary shares in the capital of the Company ("**Shares**") as at 16 September 2024 can be found on page 106 of this Annual Report.

### 9. Abstentions

Tan Sri Cheng Heng Jem is a Non-Executive Director and controlling shareholder of the Company. By virtue of his interest in the Mandated Interested Persons, Tan Sri Cheng will abstain, and will ensure that his associates abstain, from voting on the ordinary resolution relating to the renewal of the IPT Mandate at the 54<sup>th</sup> AGM.

Mr Lee Whay Keong, a Non-Executive Director, is also a director of (a) CEDR Corporate Consulting Sdn Bhd; (b) Lion Steelworks Sdn Bhd; (c) Lion Titco Resources Sdn Bhd; (d) Lion Tooling Sdn Bhd; (e) Lion Trading & Marketing Sdn Bhd; (f) Posim Petroleum Marketing Sdn Bhd; and (g) Shanghai AMB Management Consulting Co., Ltd, all of which are Mandated Interested Persons. Mr Lee Whay Keong will abstain, and will ensure that his associates abstain, from voting on the ordinary resolution relating to the renewal of the IPT Mandate at the 54<sup>th</sup> AGM.

Further, Tan Sri Cheng Heng Jem and Mr Lee Whay Keong and their respective associates will decline to accept appointment as proxies to vote at the 54<sup>th</sup> AGM in respect of the ordinary resolution approving the renewal of the IPT Mandate unless specific instructions as to voting are given by the Shareholder concerned.

Each of the Substantial Shareholders as set out in page 106 of this Annual Report will abstain, and will ensure that their associates abstain, from voting on the ordinary resolution relating to the renewal of the IPT Mandate at the 54<sup>th</sup> AGM.

Further, each of the Substantial Shareholders and their associates will decline to accept appointment as proxies to vote at the 54<sup>th</sup> AGM in respect of the ordinary resolution approving the renewal of the IPT Mandate unless specific instructions as to voting are given by the Shareholder concerned.



# ANNEXURE

## RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

### 10. Non-Interested Directors' Recommendation

Tan Sri Cheng Heng Jem and Mr Lee Whay Keong have abstained from making any recommendation on the proposed renewal of the IPT Mandate. Please refer to paragraph 9 above for their relationship with the Mandated Interested Persons.

The Directors who are independent for the purposes of the IPT Mandate, namely Mr Sam Chong Keen, Mr Loh Kgai Mun, Mr Chai Woon Chew, Mr Koong Lin Loong and Ms Lim Mooi Lang (the "**Non-Interested Directors**"), are of the opinion that the renewal of the IPT Mandate is in the best interests of the Company and not prejudicial to the interests of minority Shareholders. Accordingly, the Non-Interested Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the renewal of the IPT Mandate at the forthcoming 54<sup>th</sup> AGM.

### 11. Statement of the Audit Committee

The Audit Committee comprises Mr Sam Chong Keen (chairman of the Audit Committee), Mr Chai Woon Chew, Mr Koong Lin Loong, Mr Lee Whay Keong and Ms Lim Mooi Lang.

As set out in paragraph 9 above, Mr Lee Whay Keong, who is a Non-Executive Director, is also a director of (a) CEDR Corporate Consulting Sdn Bhd; (b) Lion Steelworks Sdn Bhd; (c) Lion Titco Resources Sdn Bhd; (d) Lion Tooling Sdn Bhd; (e) Lion Trading & Marketing Sdn Bhd; (f) Posim Petroleum Marketing Sdn Bhd; and (g) Shanghai AMB Management Consulting Co., Ltd, all of which are Mandated Interested Persons. Mr Lee Whay Keong has abstained from making any recommendation or statement relating to the proposed renewal of the IPT Mandate.

The Audit Committee (excluding Mr Lee Whay Keong) confirms that:

- (a) the methods and procedures for determining the transaction prices have not changed since the Shareholders' approval of the IPT Mandate at the AGM held on 31 October 2023;
- (b) the methods and procedures referred to in paragraph 11(a) above are sufficient to ensure that the Mandated Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders; and
- (c) the Company will obtain a fresh mandate from the Shareholders based on new methods and procedures for Mandated Interested Person Transactions if the methods and procedures referred to in paragraph 11(a) above are no longer appropriate or sufficient to ensure that the Mandated Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

### 12. Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Annexure and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Annexure constitutes full and true disclosure of all material facts about the renewal of the IPT Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Annexure misleading.

Where information contained in this Annexure has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Annexure in its proper form and context.



# ANNEXURE

## RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

### GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

Chapter 9 of the Listing Manual applies to transactions which a company listed on the SGX-ST or any of its subsidiaries or associated companies, which is considered to be an “entity at risk” within the meaning of Rule 904(2) of the Listing Manual, proposes to enter into with a counterparty who is an interested person of the listed corporation within the meaning of Rule 904(4) of the Listing Manual.

#### Definitions

- (a) An “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual.
- (b) An “**associate**” in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means his immediate family (i.e. spouse, child, adopted child, step-child, sibling and parent), the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. An “**associate**” in relation to a substantial shareholder or controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- (c) An “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group.
- (d) The term “**control**” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.
- (e) A “**controlling shareholder**” means a person who:
  - (i) holds (directly or indirectly) 15% or more of the total voting rights in the company (provided that the SGX-ST may determine that a person who satisfies the foregoing is not a controlling shareholder); or
  - (ii) in fact exercises control over a company.
- (f) An “**entity at risk**” means:
  - (i) the listed company;
  - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
  - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s) has control over the associated company.
- (g) An “**interested person**” in the case of a company means:
  - (i) a director, chief executive officer or controlling shareholder of the listed company; or
  - (ii) an associate of such director, chief executive officer or controlling shareholder.
- (h) An “**interested person transaction**” means a transaction between an entity at risk and an interested person.





# ANNEXURE

## RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

### General Requirements

An immediate announcement and/or Shareholders' approval would be required in respect of transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds.

Rule 905 of the Listing Manual states that a listed company must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of the group's latest audited consolidated net tangible assets, or if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited consolidated net tangible assets, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.

Rule 906 of the Listing Manual states that a listed company must also obtain shareholder approval for any interested person transaction of a value equal to, or more than (i) 5% of the group's latest audited consolidated net tangible assets; or (ii) 5% of the group's latest audited consolidated net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

Rule 920 of the Listing Manual also permits a listed company to seek a general mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses, that may be carried out with the interested persons. Transactions conducted under such a mandate are not subject to Rules 905 and 906 of the Listing Manual. The general mandate is subject to annual renewal.

### Excluded Transactions

In line with the rules set out in Chapter 9 of the Listing Manual, a transaction with a value of less than S\$100,000 is not considered material and is not taken into account for the purposes of this Annexure. However, while transactions below S\$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction having regard to the objective of Chapter 9 of the Listing Manual and the economic and commercial substance of the interested person transaction, instead of legal form and technicality.



## INTERESTED PERSON TRANSACTIONS

The aggregate value of Interested Person Transactions (“IPT”) entered into during the financial year ended 30 June 2024 pursuant to the IPT Mandate obtained under Chapter 9 of the SGX-ST Listing Manual is set out as follows:

Name of interested person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) S\$'000
<u>Amsteel Mills Sdn Bhd</u>	Associates of Tan Sri Cheng Heng Jem, who is the non-executive director and controlling shareholder of the Company	–	1,877
– Sales of lime products		–	10,041
– Sales of steel consumables		–	201
– Reversal of natural gas Compensation claim		–	
<u>Lion Mining Sdn Bhd</u>			
– Sales of mining equipments		–	1,646



# SHAREHOLDING STATISTICS

AS AT 16 SEPTEMBER 2024

Issued and Fully Paid-up Capital	: \$47,494,085.40
No. of Shares Issued	: 81,104,539
Class of Shares	: Ordinary Shares
Voting Rights	: One vote per share
No. of Treasury Shares and Subsidiary Holdings	: Nil

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 – 99	4	0.15	200	0.00
100 – 1,000	1,081	38.98	802,532	0.99
1,001 – 10,000	1,404	50.63	5,170,149	6.38
10,001 – 1,000,000	279	10.06	16,199,403	19.97
1,000,001 & above	5	0.18	58,932,255	72.66
Total	2,773	100.00	81,104,539	100.00

## TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	% of Shares
AMB Venture Sdn Bhd	29,750,128	36.68
Omali Corporation Sdn Bhd	24,312,552	29.98
Morph Investments Ltd	1,800,000	2.22
Andar Investment Pte Ltd	1,770,775	2.18
DBS Nominees Pte Ltd	1,298,800	1.60
ABN AMRO Clearing Bank N.V.	818,900	1.01
Gordon Cai Zhen Qiang or Wilson Cai Weicheng	610,000	0.75
See Beng Lian Janice	605,500	0.75
Ng Hian Gay	603,200	0.74
Phillip Securities Pte Ltd	581,496	0.72
OCBC Securities Private Ltd	523,800	0.65
Allan Chua Tiang Kwang	480,000	0.59
Maybank Securities Pte. Ltd.	406,100	0.50
Lee Cheow Yin	384,500	0.47
Estate of Tan Boon Kay, deceased	320,000	0.40
Cheong Soh Chin @ Julie	320,000	0.40
Hexacon Construction Pte Ltd	309,400	0.38
Tan Kay Yeong	276,000	0.34
Lim Thiam Hong	269,000	0.33
Moomoo Financial Singapore Pte. Ltd.	214,324	0.26
Total	65,654,475	80.95

## SHAREHOLDING HELD IN THE HANDS OF THE PUBLIC

Based on information available to the Company as at 16 September 2024, approximately 33.34% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.



# SHAREHOLDING STATISTICS

AS AT 16 SEPTEMBER 2024

## SUBSTANTIAL SHAREHOLDERS

(as shown in the Register of Substantial Shareholders)

Substantial Shareholder	Number of Shares		Total Percentage Interest (%)
	Direct Interest	Deemed Interest*	
Omali Corporation Sdn Bhd <sup>(1)</sup>	24,312,552	–	29.98
Bright Steel Sdn Bhd <sup>(2)</sup>	–	24,312,552	29.98
Total Triumph Investments Limited <sup>(2)</sup>	–	24,312,552	29.98
Lion Corporation Berhad <sup>(3)</sup>	–	24,312,552	29.98
Lion Diversified Holdings Berhad (In liquidation) <sup>(4)</sup>	–	24,312,552	29.98
AMB Venture Sdn Bhd <sup>(5)</sup>	29,750,128	–	36.68
Lion AMB Resources Sdn Bhd <sup>(6)</sup>	–	29,750,128	36.68
Lion Posim Berhad <sup>(6)</sup>	–	29,750,128	36.68
Amsteel Mills Sdn Bhd <sup>(6)</sup>	–	29,750,128	36.68
Steelcorp Sdn Bhd <sup>(6)</sup>	–	29,750,128	36.68
LLB Steel Industries Sdn Bhd <sup>(6)</sup>	–	29,750,128	36.68
Lion Industries Corporation Berhad <sup>(7)</sup>	–	54,062,680	66.66
Tan Sri Cheng Heng Jem <sup>(8)</sup>	–	54,062,680	66.66

### Notes:

\* Deemed interests pursuant to Section 7 of the Companies Act 1967 of Singapore.

(1) Omali Corporation Sdn Bhd (“**Omali**”) is the beneficial and registered owner of 24,312,552 shares.

(2) Bright Steel Sdn Bhd and Total Triumph Investments Limited are deemed interested in the 24,312,552 shares held by Omali.

(3) Lion Corporation Berhad (“**LCB**”), as the ultimate holding company of Omali, is deemed interested in the 24,312,552 shares held by Omali.

(4) Lion Diversified Holdings Berhad (in liquidation) (“**LDHB**”) is deemed interested in the 24,312,552 shares held by Omali by virtue of its interest in LCB.

(5) AMB Venture Sdn Bhd (“**AMBV**”) is the beneficial and registered owner of 29,750,128 shares.

(6) Lion AMB Resources Sdn Bhd, Lion Posim Berhad, Amsteel Mills Sdn Bhd, Steelcorp Sdn Bhd and LLB Steel Industries Sdn Bhd are deemed interested in the 29,750,128 shares held by AMBV.

(7) Lion Industries Corporation Berhad (“**LICB**”) is deemed interested in (a) the 29,750,128 shares held by AMBV as it is the ultimate holding company of AMBV, and (b) the 24,312,552 shares held by Omali by virtue of its interest in LCB.

(8) Tan Sri Cheng Heng Jem, by virtue of his interest in LICB, is deemed interested in (a) the 29,750,128 shares held by AMBV, and (b) the 24,312,552 shares held by Omali.



# NOTICE OF 54<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 54<sup>th</sup> Annual General Meeting of Lion Asiapac Limited (the “**Company**”) will be held at The Conference Room, 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957 on Wednesday, 30 October 2024 at 11.00 a.m. to transact the following business:

## ORDINARY BUSINESS:

1. To receive and adopt the Directors’ Statement, Audited Financial Statements for the financial year ended 30 June 2024 and the Independent Auditor’s Report thereon. **Ordinary Resolution 1**
2. To re-elect Mr Sam Chong Keen, a director retiring pursuant to Article 98 of the Constitution of the Company and who, being eligible, offers himself for re-election. **Ordinary Resolution 2**
3. To re-elect Mr Koong Lin Loong, a director retiring pursuant to Article 104 of the Constitution of the Company and who, being eligible, offers himself for re-election. **Ordinary Resolution 3**
4. To re-elect Ms Lim Mooi Lang, a director retiring pursuant to Article 104 of the Constitution of the Company and who, being eligible, offers herself for re-election. **Ordinary Resolution 4**
5. To approve the payment of S\$111,000 as directors’ fees for the financial year ended 30 June 2024 (2023: S\$107,500). **Ordinary Resolution 5**
6. To re-appoint RSM SG Assurance LLP as Auditors of the Company and to authorise the directors to fix their remuneration. **Ordinary Resolution 6**

## SPECIAL BUSINESS:

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

7. **General Mandate for Directors to Issue Shares and Instruments** **Ordinary Resolution 7**

“That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”), authority be and is hereby given to the directors of the Company to:

- (a) (i) issue shares in the capital of the Company (“**Shares**”) (whether by way of rights, bonus or otherwise); or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares;

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

- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the directors while this Resolution is in force,



# NOTICE OF 54<sup>TH</sup> ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time that this Resolution is passed, after adjusting for:
  - (i) new Shares arising from the conversion or exercise of convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that this Resolution is passed; and
  - (ii) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company for the time being; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting (“**AGM**”) of the Company or the date on which the next AGM of the Company is required by law to be held, whichever is earlier.”

## 8. **Proposed Renewal of Interested Person Transactions Mandate**

## **Ordinary Resolution 8**

“That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, for the Company, its subsidiaries and associated companies that are considered “entities at risk” under Chapter 9 of the Listing Manual of the SGX-ST or any of them, to enter into any of the transactions falling within the categories of interested person transactions set out in pages 93 and 94 of the Company’s 2024 Annual Report (the “**Annual Report**”), with the interested persons described in pages 92 and 93 of the Annual Report, provided that such transactions are made on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders, and are in accordance with the methods and procedures for interested person transactions as set out in pages 94 to 99 of the Annual Report (the “**IPT Mandate**”);



# NOTICE OF 54<sup>TH</sup> ANNUAL GENERAL MEETING

- (b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date on which the next AGM of the Company is required by law to be held, whichever is earlier;
- (c) the Audit Committee of the Company be and is hereby authorised to take such actions as it deems proper in respect of the methods and procedures for the IPT Mandate and/or to modify or implement such methods and procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual of the SGX-ST which may be prescribed by the SGX-ST from time to time; and
- (d) the directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.”

By Order of the Board

Gan Chi Siew  
Company Secretary

Singapore

11 October 2024

## **Explanatory Notes:**

Ordinary Resolution 2 – Subject to his re-election, Mr Sam Chong Keen will be re-designated as a non-executive director and cease to be Chairman of the Board, Audit Committee, Nominating Committee and Remuneration Committee. Please refer to the “Additional Information on Directors Seeking Re-election” section in the Annual Report for more information.

Ordinary Resolution 3 – Subject to his re-election, Mr Koong Lin Loong, an independent director, will continue to serve as a member of the Audit Committee, Nominating Committee and Remuneration Committee. Please refer to the “Additional Information on Directors Seeking Re-election” section in the Annual Report for more information.

Ordinary Resolution 4 – Subject to her re-election, Ms Lim Mooi Lang, a non-executive director, will continue to serve as a member of the Audit Committee, Nominating Committee and Remuneration Committee. Please refer to the “Additional Information on Directors Seeking Re-election” section in the Annual Report for more information.

Note – In relation to the retirement of directors by rotation at the 54<sup>th</sup> Annual General Meeting, Mr Lee Whay Keong is also due to retire by rotation and he has given notice to the Company that he does not wish to be re-elected to office thereat. Mr Lee will retire as a non-executive director and cease to be a member of the Audit Committee, Nominating Committee and Remuneration Committee.

Ordinary Resolution 7 – If passed, will empower the directors of the Company, from this AGM until the date of the next AGM, to issue Shares and Instruments in the Company up to a number not exceeding 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), with a sub-limit of 20% for issues other than on a pro rata basis to shareholders of the Company.

Ordinary Resolution 8 – If passed, will enable the Group, from this AGM until the date of the next AGM, to enter into certain recurring interested person transactions as described on pages 92 and 93 of the Annual Report and will empower the directors to do all acts necessary to give effect to the IPT Mandate.



# NOTICE OF 54<sup>TH</sup> ANNUAL GENERAL MEETING

## Important Notes:

Printed copies of the notice of AGM and the accompanying Proxy Form will be sent by post to members. These documents, together with the Company's 2024 Annual Report, will be published on the Company's website at <http://www.lionasiapac.com/index.php/investors> and the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>.

A member may request for a printed copy of the 2024 Annual Report by completing and returning the request form by post or by email to [main@zicoholdings.com](mailto:main@zicoholdings.com).

## Submission of Questions in Advance:

Members (including CPF and SRS Investors) may submit questions relating to the business of the AGM in advance (i) at <http://www.lionasiapac.com/index.php/contact-lap> or (ii) by post to the registered office of the Company at 10 Arumugam Road #10-00 LTC Building A, Singapore 409957. All questions must be submitted by 11.00 a.m. on 21 October 2024.

A member who wishes to submit his/her/its questions by post is required to indicate his/her/its full name (for individuals)/company name (for corporates), NRIC/passport number/company registration number, contact number, shareholding type and number of shares held together with his/her/its submission of questions, to the office address provided.

The Company will endeavour to address the substantial and relevant questions prior to and/or at the AGM. The responses to questions from members will be posted on the SGX-ST's website at <https://www.sgx.com/securities/company-announcements> and the Company's website at <http://www.lionasiapac.com/index.php/sgx-announcements> soonest possible before the AGM, or if answered during the AGM, to be included in the minutes of the AGM which will be published on the SGX-ST's website and the Company's website within one month after the date of the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently, not all questions may be individually addressed.

## Submission of Proxy Forms to Vote:

Members (whether individual or corporate) appointing the Chairman as a proxy to attend, speak and vote at the AGM must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment of the Chairman as proxy will be treated as invalid. A proxy need not be a member of the Company.

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

The instrument appointing a proxy or proxies, duly executed together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or a notarially certified copy of that power of attorney or other authority, must be submitted:

- (a) by post to the registered office of the Company at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957;
- (b) by post to the office of the Company's Share Registrar at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
- (c) by email to [main@zicoholdings.com](mailto:main@zicoholdings.com);

in each case, not less than 72 hours before the time appointed for holding the AGM, i.e. by 11.00 a.m. on 27 October 2024.

Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF and SRS Investors, who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (including CPF Agent Banks and SRS Operators) to submit their voting instructions by 11.00 a.m. on 18 October 2024.

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.





# NOTICE OF 54<sup>TH</sup> ANNUAL GENERAL MEETING

## **Personal Data Privacy:**

By submitting an instrument appointing proxy(ies), and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and record of questions asked and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, takeover rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) represents and warrants that he/she/it has obtained the prior consent of the individuals appointed as proxy(ies) and/or representatives for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such individuals by the Company (or its agents or service providers) for the Purposes, and (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request.



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the additional information on Mr Sam Chong Keen, Mr Koong Lin Loong and Ms Lim Mooi Lang, each of whom is seeking re-election as a director at the 54<sup>th</sup> Annual General Meeting of the Company on 30 October 2024, is provided below for self-explanatory.

The information shall be read in conjunction with their respective biographies set out on pages 5, 7 and 8.

	<b>Sam Chong Keen</b>	<b>Koong Lin Loong</b>	<b>Lim Mooi Lang</b>
Date of Appointment	22 February 1997	16 August 2024	16 August 2024
Age	71	60	56
Country of principal residence	Singapore	Malaysia	Malaysia
Date of last re-appointment (if applicable)	30 November 2021	Not applicable	Not applicable
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	<p>Mr Sam has a wealth of management experience having held senior/CEO positions in the Singapore Government Administrative Service and various publicly listed companies.</p> <p>The Nominating Committee recommended the re-election of Mr Sam as a non-independent non-executive director. The Board is of the view that Mr Sam has the relevant working experience to continue to contribute positively to the diversity of the Board and recommended his re-election.</p> <p>Mr Sam has abstained from the deliberation of the Nominating Committee and the Board pertaining to his re-election.</p>	<p>Mr Koong is a tax professional and has extensive finance and accounting knowledge.</p> <p>The Nominating Committee recommended the re-election of Mr Koong as an independent non-executive director. The Board is of the view that Mr Koong has the relevant working experience to continue to contribute positively to the diversity of the Board and recommended his re-election.</p> <p>Mr Koong has abstained from the deliberation of the Nominating Committee and the Board pertaining to his re-election.</p>	<p>Ms Lim has extensive tax, finance and accounting knowledge.</p> <p>The Nominating Committee recommended the re-election of Ms Lim as a non-independent non-executive director. The Board is of the view that Ms Lim has the relevant working experience to continue to contribute positively to the diversity of the Board and recommended her re-election.</p> <p>Ms Lim has abstained from the deliberation of the Nominating Committee and the Board pertaining to her re-election.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive	Non-executive



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Sam Chong Keen</b>	<b>Koong Lin Loong</b>	<b>Lim Mooi Lang</b>
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-independent non-executive director	Independent non-executive director A member of the Audit Committee, Nominating Committee and Remuneration Committee	Non-independent non-executive director A member of the Audit Committee, Nominating Committee and Remuneration Committee
Professional qualifications	<ol style="list-style-type: none"> <li>1. Bachelor of Arts (Engineering Science and Economics) (Honours)</li> <li>2. Master of Arts, University of Oxford</li> <li>3. Diploma, The Institute of Marketing, United Kingdom</li> </ol>	<ol style="list-style-type: none"> <li>1. ASEAN Chartered Professional Accountant (ASEAN CPA)</li> <li>2. Chartered Accountant, Malaysian Institute of Accountants (MIA)</li> <li>3. Fellow Member, Chartered Tax Institute of Malaysia (CTIM)</li> <li>4. Fellow Member, The Chartered Institute of Management Accountants of United Kingdom (CIMA)</li> <li>5. Associate Member, Institute of Internal Auditors Malaysia</li> <li>6. Member, CPA Australia</li> <li>7. Member, The Malaysian Institute of Certified Public Accountants (MICPA)</li> <li>8. Active Member, The Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA)</li> </ol>	<ol style="list-style-type: none"> <li>1. Malaysian Institute of Certified Public Accountants (MICPA)</li> <li>2. Malaysian Institute of Accountants (MIA), Chartered Accountant</li> </ol>
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	None	None	None



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Sam Chong Keen</b>	<b>Koong Lin Loong</b>	<b>Lim Mooi Lang</b>
Conflict of interest (including any competing business)	None	None	None
Working experience and occupation(s) during the past 10 years	None, retired	1. Managing Partner of Reanda LLKG International 2. CEO of K-Konsult Taxation Sdn Bhd	General Manager of Finance Division – Tax
Undertaking submitted to the Company in the form of Appendix 7.7 (Listing Rule 704(7))	Yes	Yes	Yes
Shareholding interest in the Company and its subsidiaries	No	No	No
<b>Past (for the last 5 years) Directorships</b>	None	1. Oversea Enterprise Bhd 2. Reanda LLKG (Cambodia) Co. Ltd 3. Reanda International Network Limited	Sentoria Group Berhad
<b>Present Directorships</b>	1. Stamford Tyres Corporation Ltd 2. A-Smart Holdings Ltd 3. Parkson Retail Asia Limited 4. SMI Vantage Limited	1. Credit Counselling and Debt Management Agency (AKPK), Bank Nagara Malaysia 2. K-Konsult Taxation Sdn Bhd 3. Malaysia Social Entrepreneurs Foundation (MSEF) 4. Parkson Retail Asia Limited 5. Parkson Retail Group Limited 6. Reanda LLKG International 7. SME Corporation Malaysia (SME Corp.), Ministry of Entrepreneur Development and Cooperatives	Greentech Technology International Limited



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Sam Chong Keen/Koong Lin Loong/Lim Mooi Lang</b>
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Sam Chong Keen/Koong Lin Loong/Lim Mooi Lang
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:  i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or  ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or  iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or  iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No  No  No  No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

# LION ASIAPAC LIMITED

(Co. Reg. No. 196800586R)  
(Incorporated in the Republic of Singapore)

## PROXY FORM ANNUAL GENERAL MEETING

### IMPORTANT

1. Central Provident Fund Investment Scheme and Supplementary Retirement Scheme who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 11.00 a.m. on 18 October 2024.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Personal Data Privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 October 2024.

I/We \_\_\_\_\_ (Name), \_\_\_\_\_ (NRIC/Passport/Registration No.)  
of \_\_\_\_\_ (Address),  
being a member(s) of Lion Asiapac Limited (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Address	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	NRIC/Passport No.	Address	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her, the Chairman of the AGM, as my/our proxy to attend, speak and vote on my/our behalf at the 54<sup>th</sup> Annual General Meeting of the Company (the "**AGM**") to be held at The Conference Room, 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957 on Wednesday, 30 October 2024 at 11.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies (except where the Chairman is appointed as my/our proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the AGM and at any adjournment thereof.

Resolutions		For*	Against*	Abstain*
<b>Ordinary Business</b>				
1.	Adoption of Directors' Statement, Audited Financial Statements and Independent Auditor's Report			
2.	Re-election of Mr Sam Chong Keen as Director			
3.	Re-election of Mr Koong Lin Loong as Director			
4.	Re-election of Ms Lim Mooi Lang as Director			
5.	Re-appointment of RSM SG Assurance LLP as Auditors and to authorise the Directors to fix their remuneration			
<b>Special Business</b>				
6.	Shares issue Mandate			
7.	Renewal of the Interested Person Transactions Mandate			

\* If you wish to exercise all your votes "For" or "Against" or to abstain from voting on the Ordinary Resolutions, please indicate with a "✓" within the box provided. Alternatively, please indicate the number of votes that the Chairman of the AGM as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

Shares in:	Total Number of Shares
1) CDP Register	
2) Register of Members	



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

**IMPORTANT: Please read notes overleaf.**

**Notes:**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy shall be deemed to relate to all the Shares held by you.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's instrument of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument of proxy.  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument of proxy.  
**"Relevant intermediary"** has the meaning ascribed in Section 181 of the Companies Act 1967 of Singapore (the "**Companies Act**").
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be submitted:
  - (a) by post to the registered office of the Company at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957;
  - (b) by post to the office of the Company's Share Registrar at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
  - (c) by email to [main@zicoholdings.com](mailto:main@zicoholdings.com);in either case, by 11.00 a.m. on 27 October 2024 (being 72 hours before the time fixed for the AGM), in default the instrument of proxy shall not be treated as valid.
5. The instrument appointing a proxy or proxies must be signed by the appointor or duly authorised in writing by his attorney or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
6. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
8. Persons who hold Shares through Relevant Intermediaries under Section 181(1C) of the Companies Act, such as Central Provident Fund Investment Scheme ("**CPF Investors**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable), and wish to appoint the Chairman of the AGM as their proxy should approach their respective Relevant Intermediaries, (e.g. CPF/SRS Approved Nominees such as CPF Agent Banks or SRS Operators), to submit their votes instruction by 11.00 a.m. on 18 October 2024.
9. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

AGM  
Proxy Form

**AFFIX  
POSTAGE  
STAMP**

The Company Secretary  
**LION ASIAPAC LIMITED**  
10 Arumugam Road  
#10-00 LTC Building A  
Singapore 409957



This page has been intentionally left blank

This page has been intentionally left blank





**LION ASIAPAC LIMITED**  
(CO. REG. NO. 196800586R)

10 Arumugam Road  
#10-00 LTC Building A  
Singapore 409957  
Tel: (65) 6632 0500  
Website: [www.lionasiapac.com](http://www.lionasiapac.com)