



POWERMATIC DATA  
SYSTEMS LTD

# ANNUAL REPORT

2023

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

**Dr Chen Mun** Chairman/CEO  
**Ms Ang Bee Yan, Katherine**

### Non-Executive Directors:

**Mr Tan Chao Hsiung, David** Lead Independent Director  
**Dr Lye Kin Mun** Independent Director  
**Mr Cheng Heng Tan** Independent Director  
**Prof Cham Tao Soon** Independent Director

### Audit and Risk Management Committee

**Mr Tan Chao Hsiung, David** Chairman  
**Dr Lye Kin Mun**  
**Mr Cheng Heng Tan**  
**Prof Cham Tao Soon**

### Nominating Committee

**Dr Lye Kin Mun** Chairman  
**Mr Tan Chao Hsiung, David**  
**Mr Cheng Heng Tan**  
**Prof Cham Tao Soon**

### Remuneration Committee

**Prof Cham Tao Soon** Chairman  
**Mr Tan Chao Hsiung, David**  
**Dr Lye Kin Mun**  
**Mr Cheng Heng Tan**

### Company Secretary

**Wong Yoen Har**

### Registered Office

9 Harrison Road  
#05-01  
Singapore 369651  
Tel : +65 6288 8220  
Fax: +65 6280 9947

### Share Registrar

Boardroom Corporate & Advisory Services Pte Ltd  
1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632  
Tel : 65- 6536 5355

### Auditors

RSM Chio Lim LLP  
8 Wilkie Road, #03-08  
Wilkie Edge  
Singapore 228095  
Tel : +65 6533 7600  
Fax: +65 6594 7811

### Audit Partner-in-Charge

**Ms Pang Hui Ting**

### Principal Bankers

**United Overseas Bank Limited**  
80 Raffles Place UOB Plaza 1  
Singapore 048624

# SUBSIDIARY INFORMATION

## Compex Technologies Pte Ltd

9 Harrison Road,  
#05-01  
Singapore 369651  
Tel : (65) 6288 8220  
Fax : (65) 6280 9947  
[www.powermatic.com.sg](http://www.powermatic.com.sg)

## Compex Systems Pte Ltd

9 Harrison Road,  
#05-01  
Singapore 369651  
Tel : (65) 6288 8220  
Fax : (65) 6280 9947  
[www.compex.com.sg](http://www.compex.com.sg)

## Harrison Pte. Ltd.

9 Harrison Road,  
#05-01  
Singapore 369651  
Tel : (65) 6288 8220  
Fax : (65) 6280 9947  
[www.compex.com.sg](http://www.compex.com.sg)

## Compex Inc.

23620 Ridgecrest court  
Diamond Bar,  
CA 91765  
United States  
Tel : (909) 569-8106

## Compex Technologies Sdn Bhd

No 67 Jalan Ipark 1/7  
Kawasan Perindustrian Ipark,  
Bandar Indahpura,  
81000 Kulai, Johor  
Tel : (60) 7 660 8826  
Website : [www.compex.com.sg](http://www.compex.com.sg)

宝华电子(苏州)有限公司  
No.12, ChuangTou Industrial Square  
LouFeng North  
Suzhou Industrial Park, Suzhou  
People's Republic of China 215122  
Tel : (86) 512 6295 0050  
Fax : (86) 512 6295 0028

苏州康培网络产品有限公司  
No.12, ChuangTou Industrial Square  
LouFeng North  
Suzhou Industrial Park, Suzhou  
People's Republic of China 215122  
Tel : (86) 512 6295 0050  
Fax : (86) 512 6295 0028

# CHAIRMAN'S STATEMENT



**"THE WIRELESS CONNECTIVITY BUSINESS, OUR CORE BUSINESS, HAS ONCE AGAIN ACHIEVED A NEW RECORD IN BOTH ITS REVENUE AND PROFITABILITY"**

## FINANCIAL PERFORMANCE

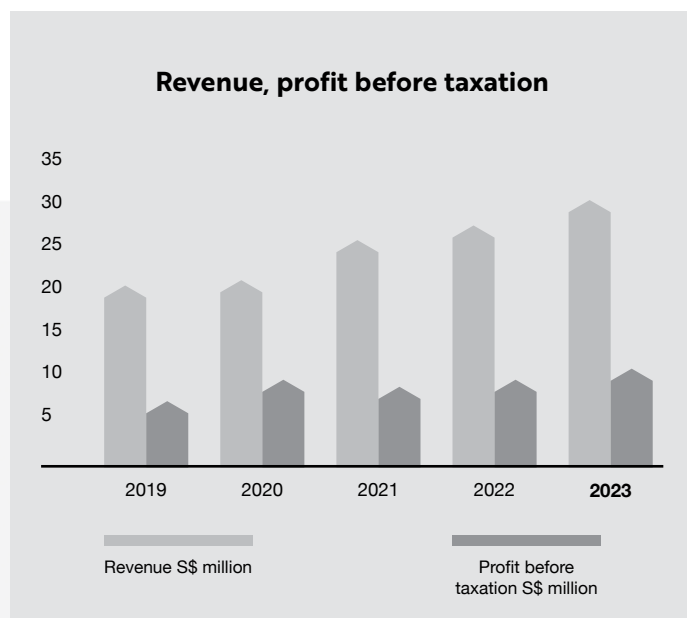
Comparing FY2022 and FY2023, revenue improved by 11% from \$27.9 million to \$30.9 million, and profit before taxation improved by 19% from \$9.7 million to \$11.6 million. Profit margins (gross and profit before taxation) also witnessed noticeable improvements – FY2022 was 47.7% (gross margin) and 34.9% respectively, and FY2023 was 49.8% and 37.5% respectively.

Earnings per share improved from 23.38 cents in FY2022 to 27.14 cents in FY2023, an improvement of 16.1 %.

The Group's products continue to gain traction in key markets of the United States of America, and Europe. The increased revenue contribution from Asia (from 24% to 34%) arose from shipment to our USA and European customers' contract manufacturers located in Asia.

## DEAR SHAREHOLDERS,

The wireless connectivity business, our core business, has once again achieved a new record in both its revenue and profitability - \$30.92 million and \$11.6 million.



Between FY2019 and FY2023, both revenue and profit before taxation achieved a compound growth rate of 11.5 per cent and 12.2 per cent respectively.

## FINANCIAL POSITION

As at 31 March 2023, shareholders' funds stood at \$73.8 million compared to \$68.4 million as at 31 March 2022. Changes were attributed to the payment of dividends and profitability.

Total assets and total liabilities as at 31 March 2023 were \$85.3 million and \$11.5 million respectively compared to \$78.8 million and \$10.3 million respectively as 31 March 2022. The key components of total assets are investment property, cash and bank balances, and property, plant and equipment in both financial years, contributing to more than 85% of total assets. Total liabilities in both periods are trade-related (deposits from customers and payables) and income tax payables.

The investment property, inclusive of the office unit which was classified under "property, plant and equipment" based on the cost approach, has a net book value of \$18.09 million. An independent valuation conducted by Knight Frank Pte Ltd appraised the investment property at \$46.3 million as at 31 March 2023. Yield from the property (property profit against the fair value of the property) continues to be "uninteresting" – below 1% per annum. The property currently is unencumbered. Professionals (like architects and legal advisors) have been engaged to advise the Board of Directors on options available to enhance its value.

Working capital continues to be strong – as at 31 March 2023 was \$51.8 million compared to \$46.2 million as at 31 March 2022. Cash generated from operations was \$12.1 million in

# CHAIRMAN'S STATEMENT

FY2023 as compared to \$9.4 million in FY2022. This continues to contribute to increases in cash and bank balances.

The other key components of current assets are trade receivables and inventories. Trade receivables average turnover remains stable, despite the increase in revenue, at 36 days in FY 2023 as compared to 32 days in FY 2022. As at the date of this report, close to 100% of the trade receivables have been realised. Inventories have decreased due to higher shipment frequencies from suppliers to coincide with scheduled manufacturing timelines. During FY2023, impairments of \$1.0 million were made to inventories arising from customers deferring their orders or possibilities of cancellations. In FY2022 the impairment made was \$0.3 million.

Net tangible assets per share as at 31 March 2023 and 31 March 2022 were \$2.11 and \$1.96 respectively. The improvement in net tangible assets is solely attributed to increases in shareholders' funds, which in turn, is attributed to profitability. Should the increase in the market value of the investment property be taken into consideration (the cost approach does not recognise changes in market values) the net tangible assets per share as at 31 March 2023 was \$2.92 compared to \$2.63 as at 31 March 2022.

## OPERATING ENVIRONMENT

The global acute shortage of microchips and raw materials that reigned the past 3 years have abated during FY2023 allowing the Group to fulfil customer orders that were placed as far back as two financial years ago, attributing to the increase in revenue. Customer orders continue to be healthy and a number of new relationships (from different industries) were added to our portfolio. Both the features and capabilities of our products across industries contributed to this.

Inflation and interest rates, in recent days, are now key economic indicators keenly watched over. Both indicators are closely related, in the eyes of central bankers, as interest rates are used as a response to tame escalating inflationary pressures. During FY2023, the US Federal Reserve has raised key interest rates several times over a short period and, in several instances, at a quantum above financial markets' expectation. There are rising concerns that the aggressive escalation of interest rates will dampen economic activities and spending leading economies into recession.

Management has been approached, during FY2023, by a number of key customers to defer the shipment of finished products they ordered. Reasons cited centre on slower demand for their products or their customers cancelling or deferring their orders. As an order is confirmed, the Company would commence procurement of key materials, once committed such orders are usually not cancellable. This resulted in the S\$1.0 million of

impairment made to inventories in FY2023 which is an increase of S\$0.7 million over FY2022.

## TECHNOLOGY FRONTIER

In the area of product development and R&D initiatives, WiFi 7 will take center stage in our efforts for the upcoming year. As a leading wireless manufacturer, our engineering team is committed to being at the forefront of technological advancements. We are actively preparing products to meet the needs of our customers as they explore the potential of WiFi 7, which boasts speeds four times faster than WiFi 6.

In addition to our focus on WiFi 7, we are dedicated to expanding our ODM service to better serve our customers. As they adapt their products to meet the evolving demands of end-users, our ODM service offers a faster and more efficient development cycle, resulting in a shorter time-to-market. The increasing complexity of WiFi 7 technology has heightened the demand for our technical expertise. Our customers rely on our knowledge and experience to effectively meet their requirements.

## DIVIDENDS

Sharing our successes in the recently completed financial year, I am delighted to propose a final dividend of 10 cents per ordinary share – comprising an ordinary dividend of 5 cents per ordinary share and a special dividend of 5 cents per ordinary share for FY2023.

The total dividend payable is S\$3.496 million and is 30.1 % of our profit before taxation in FY2023.

## APPRECIATION

We welcome Professor Cham Tao Soon who joined our Board of Directors on 19 May 2023 as an independent and non-executive director. Professor Cham, who has previously held directorships at various companies including Singapore government linked companies, brings along years of accumulated experience in business management.

Before concluding, I want to express my sincere appreciation to our shareholders for their unwavering trust and support. I extend my heartfelt gratitude to our dedicated employees, whose hard work and commitment have made our achievements possible. Additionally, I would like to thank our customers, partners, and stakeholders for their invaluable contributions to our continued success.

# WIRELESS CONNECTIVITY SOLUTIONS BY THE GROUP

Powermatic Data Systems, established on 1<sup>st</sup> February 1989 as a private limited company in Singapore, has grown into a reputable investment holding company. Since 1992, it has been listed on the Singapore Stock Exchange.

As an investment holding company, Powermatic Data Systems Ltd oversees the operations of seven fully owned subsidiaries. These subsidiaries include Compex Systems Pte. Ltd., Compex Technologies Pte. Ltd., Compex Technologies Sdn. Bhd., Compex Inc., Compex (Suzhou) Co. Ltd., Compex Wireless (Suzhou) Co. Ltd., and Harrison Pte Ltd.

The Group's primary source of revenue and profitability stems from the manufacturing and sale of wireless connectivity products. Additionally, the company generates income from its investment property activities, which involve leasing and maintenance services for Harrison Industrial Building. This freehold investment property is wholly owned by the company.

## WIRELESS CONNECTIVITY PRODUCTS & SERVICES

We specialize in providing comprehensive wireless solutions, spanning from wireless modules to embedded boards. Our offerings are tailored to meet the needs of customers seeking fast-to-market solutions based on Qualcomm Atheros (QCA) designs.

In addition to our extensive product range, we offer customized design and manufacturing services, empowering our customers to develop and deploy wireless solutions that precisely align with their specific requirements. Over time, we have established ourselves as a leading provider of wireless solutions across a diverse array of industries, including enterprise, transportation, industrial automation, and cybersecurity applications.

We pride ourselves on our business flexibility, accommodating various engagement models. Whether our customers require Low-Mix, High-Volume, or High-Mix Low-Volume solutions, we are committed to supporting their success.

Our sole ownership of manufacturing facilities strategically located in the Asia Pacific region, specifically in Johor, Malaysia,



and Suzhou, China, affords us seamless access to engineering resources and a wide selection of manufacturing components. These advantages play a pivotal role in shortening the time to market, ultimately enhancing our competitiveness as a leading OEM and ODM provider of wireless connectivity solutions.

Our extensive product range encompasses high-performance wireless radio modules, embedded boards, indoor and outdoor access points, as well as wireless antennas. These offerings have been meticulously designed to cater to the needs of both small and large-scale network deployments, and are renowned for their exceptional reliability, performance, and user-friendliness.

Our strong partnership with Qualcomm Atheros (QCA) is a testament to our commitment to excellence. Our subsidiary, Compex Systems Pte Ltd, holds the prestigious designation of being an official Qualcomm Authorized Design Center in South East Asia. This affiliation empowers us to leverage our wireless expertise in both hardware and software services, benefiting numerous multinational corporations.

Our clientele comprises reputable distributors of electronic and wireless device components, esteemed system integrators, wireless product design houses, and distinguished Fortune 500 corporations. Through our robust network and unwavering dedication, we have fostered lasting relationships with these valued partners.

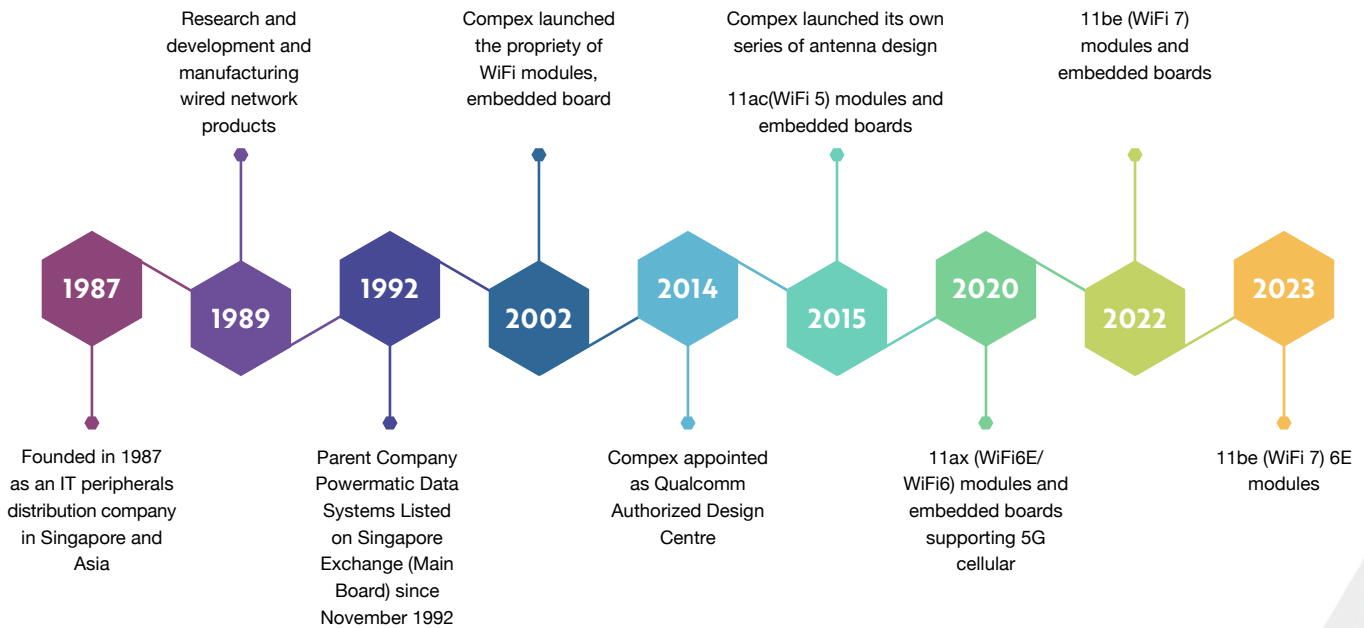
## FREEHOLD INVESTMENT PROPERTY

As a part of our business portfolio, Powermatic Data Systems holds a valuable freehold investment property. The property, located at 7 & 9 Harrison Road, Singapore, 369651, serves as a key asset for our Group.

Within this property, we operate our Singapore-based operations from one of the units, utilizing it as our primary business space. Simultaneously, we leverage the remaining units by renting them out.

# WIRELESS CONNECTIVITY SOLUTIONS BY THE GROUP

## COMPANY HISTORY



## OUR BUSINESS



We use Qualcomm Atheros' Reference Design when designing wireless devices and components for reliability and quality



Our Manufacturing facilities are allowing for easy access to engineering resources and components



We provide off the shelf wireless components and total solutions to customers looking for quicker-to-market wireless solutions

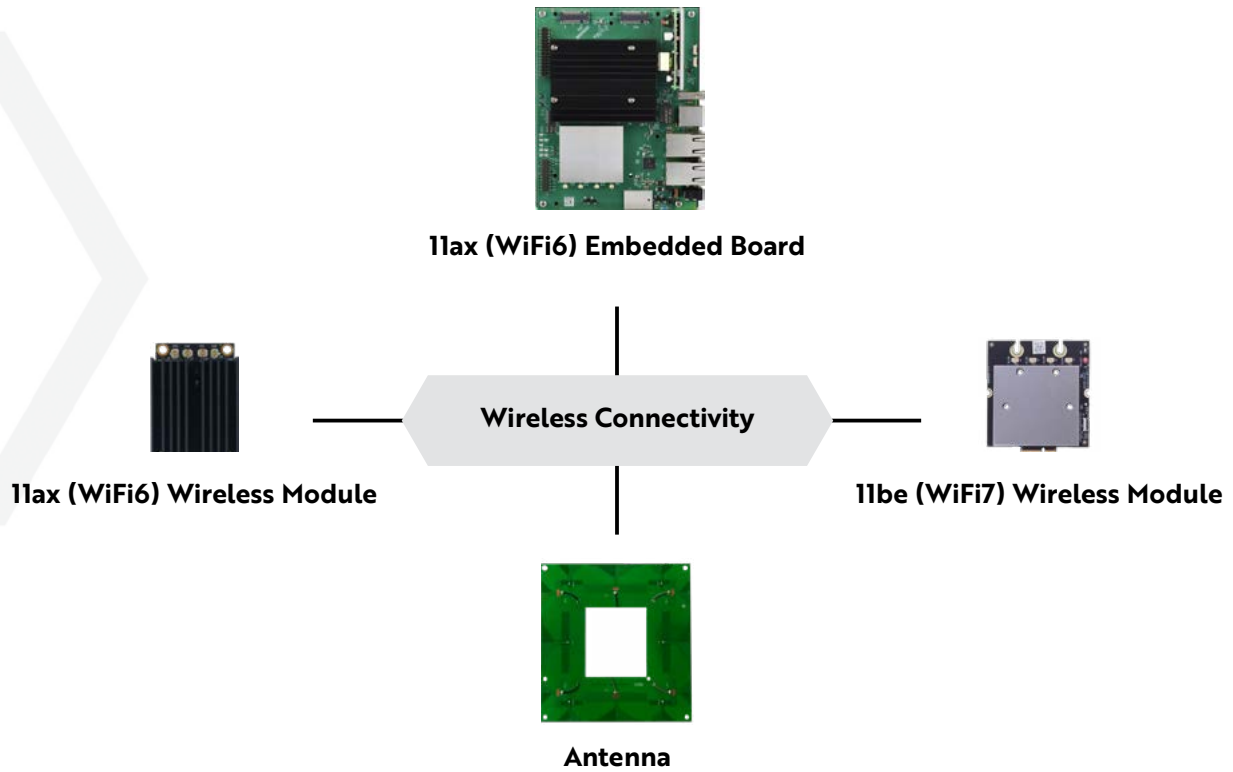


We also provide leading Original Design Manufacturing (ODM) for a wide range of wireless networking products



# WIRELESS CONNECTIVITY SOLUTIONS BY THE GROUP

## OUR PRODUCTS



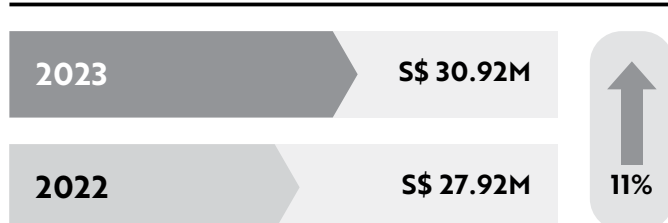
## OUR MARKET PRESENCE



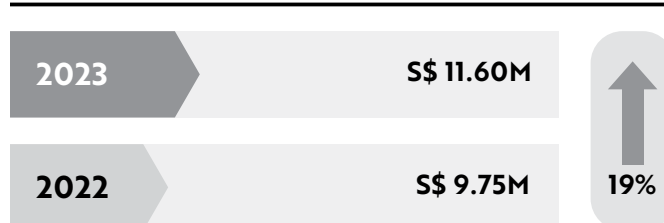


# GROUP FINANCIAL HIGHLIGHTS

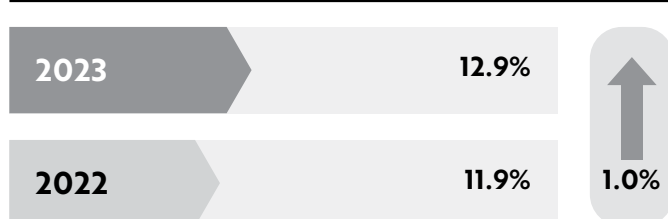
## OPERATING REVENUE



## PROFIT BEFORE TAX



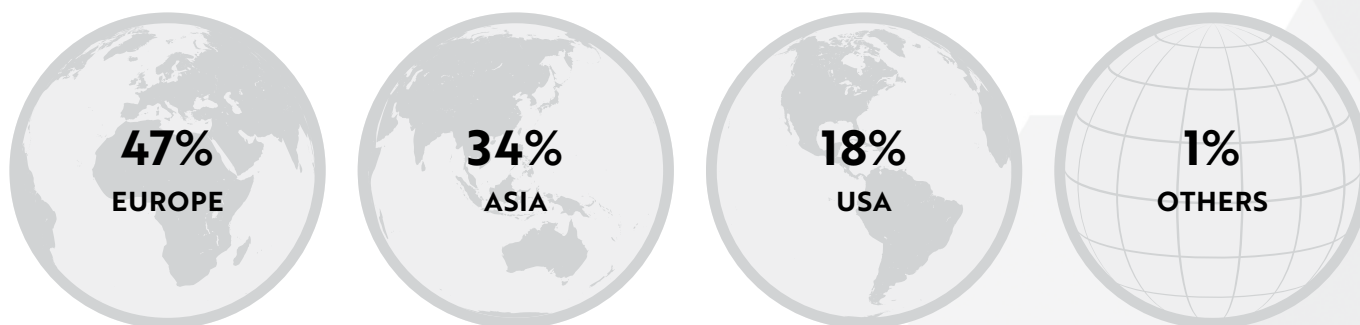
## RETURN ON EQUITY



## DIVIDEND PER SHARE

	INTERIM		FINAL	
	ORDINARY	SPECIAL	ORDINARY	SPECIAL
2023	–	–	5 CENTS	5 CENTS
2022	5 CENTS	–	5 CENTS	5 CENTS

## SALES BY GEOGRAPHICAL REGION FOR FY2023



## GLANCE OVER 5 YEARS

	2019	2020	2021	2022	2023
Revenue ( S\$ million)	20.9	21.8	26.3	27.9	30.9
Profit before tax ( S\$ million)	7.7	9.9	9.1	9.8	11.6
Earnings per share ( S ¢ ) - diluted	20.01	24.99	21.23	23.38	27.14
Dividend Declared as percentage of profit, net of tax (%)	40	N.A	24	64	37
Net assets value per share with investment property and freehold office unit stated at carrying value (S\$)	1.68	1.75	1.81	1.96	2.11
Net assets value per share with investment property and freehold office unit stated at fair value (S\$)	2.14	2.18	2.4	2.6	2.9
Staff head count excluding production workers (In Number)	88	83	84	80	84

# PROFILE OF DIRECTORS

## **DR CHEN MUN** **Chairman and Chief Executive Officer (“CEO”)**

Dr Chen Mun is the Chairman and Chief Executive Officer of the Group. He is also the founder of Powermatic Data Systems Limited and is responsible for spearheading the Company’s Research and Development programs as well as growth strategies of the Group.

Prior to the founding of Powermatic, Dr Chen was a senior lecturer in the then University of Singapore. Dr Chen holds a bachelor’s degree in engineering from the University of Singapore and received a Ph.D. in engineering from the Imperial College, University of London.

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## **MS KATHERINE ANG BEE YAN** **Executive Director**

Ms Ang Bee Yan, Katherine joined Compex Systems Pte Ltd, a wholly-owned subsidiary of Powermatic Data Systems Limited in 2003 as Director of Sales & Marketing and Operations. She is currently the General Manager of Compex Systems Pte Ltd. She manages both the operations in Singapore and China. Ms Katherine Ang Bee Yan holds a diploma in Chemical Process Technology from Singapore Polytechnic.

On 1 July 2011, Ms Katherine Ang is appointed as an Executive Director of Powermatic Data Systems Limited. Ms Ang has over 20 years of experience in the Sales & Marketing, Operations and Business Development. She plays an instrumental role in overseeing the Group’s local and overseas projects and is responsible for the overall business development.

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## **DR LYE KIN MUN** **Independent Director, Chairman of Nominating Committee and Member of Audit and Risk Management Committee and Remuneration Committee**

Dr Lye Kin Mun is an Independent Director, Chairman of the Nominating Committee and Member of the Audit and Risk Management Committee and Remuneration Committee of the Company. He holds a B.Sc. with distinction from the University of Alberta, Canada, in 1974, M.Eng. from the University of Singapore in 1979 and Ph.D. from the University of Hawaii at Manoa, U.S.A. in 1984 and was a Colombo Plan Scholar from 1970-74.

He is currently Senior Advisor, Institute for Infocomm Research (I2R) and Science and Engineering Research Council, Agency for Science, Technology and Research (A\*STAR). He was Executive Director, I2R, until 31 March 2023 and has been Director of the Centre for Wireless Communications, National University of Singapore from 1993 to 2002. He was Chief Risk Officer, (A\*STAR) from 2012 to 2022 and Deputy Executive Director for Science and Engineering Research Council from 2012 to 2016. Dr Lye has over 49 years of experience in industry as well as teaching.

Dr Lye has also served on the Boards of Singapore Polytechnic and Ngee Ann Polytechnic. He was a Director of Cellonics Inc., a startup company he co-founded. He was a consultant to several companies in the networking and wireless communications industry and sat on many national technical committees. Dr Lye was a Member of the Board on Global Science and Technology of the National Research Foundation, U.S.A. He was also a member of the Asia-Pacific Cadence Advisory Board and Advisory Committee for Next Generation Mobile Networks Project, Communications Research Lab., Japan.

He was part of a team that won Singapore’s National Technology Award in 2001. In 2005, he was conferred the title “Officier dans l’ordre des Palmes Academiques” by the French government. He was also awarded the Public Administration Medal (Silver) at the National Day Awards 2013 and the Public Administration Medal (Silver) Bar at the National Day Awards 2020 by the President of the Republic of Singapore.

## **MR TAN CHAO HSIUNG, DAVID** **Lead Independent Director, Chairman of Audit and Risk Management Committee and Remuneration Committee and Member of Nominating Committee**

Mr Tan Chao Hsiung, David is a Lead Independent Director, Chairman of the Audit and Risk Management Committee and Remuneration Committee and Member of the Nominating Committee of the Company.

Mr Tan has over 20 years of senior management experience in the banking and finance industry and had held positions in both local and foreign financial institutions. He is also a Non-Executive and Lead Independent Director of Mun Siong Engineering Limited.

Mr Tan holds a Master in Commerce (specialising in Finance) from the University of New South Wales and a Bachelor of Economics from Macquarie University. He is also a Fellow of the Institute of CPA (Australia).

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## **MR CHENG HENG TAN** **Independent Director and Member of Audit and Risk Management Committee, Nominating Committee and Remuneration Committee**

Mr Cheng Heng Tan is an independent Director and Member of the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee of the Company.

Mr Cheng is a Life Fellow of Chartered Accountants Singapore, Retired Fellow member of The Association of Chartered Certified Accountants, United Kingdom and the American Institute of CPAs, AICPA. He was an independent director of Chip Eng Seng Corporation Ltd from 2011 to 2018 and has more than 33 years of experience in the field of accounting and auditing and extensive experience in handling major audit assignments of public listed and private companies in Singapore, Taiwan and China.

Mr Cheng was a journalist before.

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## **PROFESSOR CHAM TAO SOON** **Independent Director, Chairman of Remuneration Committee and Member of Audit and Risk Management Committee and Nomination Committee**

Professor Cham was appointed as Independent Director on 19 May 2023. He is also the Chairman of the Remuneration Committee and Member of the Audit and Risk Management Committee and Nominating Committee of the Company.

He has more than 30 years of experience in the academia sector and is currently the Supervisor to United Overseas Bank (China) Limited and Chairman of Soup Restaurant Group Ltd.

Professor Cham had been on board of some major companies like Keppel Corp, Wearnes, SPH and UOB. He was a member of Council of Presidential Advisors from 2004 to 2010. He was a recipient of the Distinguish Service Order from the Singapore Government.

Professor Cham sits on the board of a public listed company, NSL Ltd and on the board of a public company limited by guarantee, Institution of Engineers (Singapore) Fund Ltd. He holds a Bachelor of Engineering (Civil, Honours) from the University of Malaya, a Bachelor of Science (Mathematics, Honours) from the University of London and a Doctorate of Philosophy (Fluid Mechanics) from University of Cambridge.

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report										
	<p>The Board of Directors (the “Board”) of Powermatic Data Systems Limited (the “Company”) is committed to setting and maintaining high standards of corporate governance within the Company and its subsidiaries (the “Group”).</p> <p>This report describes the Group’s corporate governance framework and practices of the Company with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the “Code”). Where the Company’s practices vary from any provisions of the Code, the Company has provided appropriate explanations for the departures and measures that the Company has taken or intends to take for the departed practices. The Board will continue to take measures to improve compliance with the principles and provisions of the Code in the ensuing years.</p>										
<p><b>THE BOARD’S CONDUCT OF AFFAIRS</b></p>	<p><b>Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.</b></p>										
<p>Provision 1.1 of the Code: Directors are fiduciaries who act objectively in the best interests of the company</p>	<p>As at 31 March 2023, the Board comprises five (5) Directors as follows:</p> <table data-bbox="428 859 1192 1017"> <tr> <td>Dr Chen Mun</td> <td><i>Chairman and Chief Executive Officer</i></td> </tr> <tr> <td>Ms Ang Bee Yan, Katherine</td> <td><i>Executive Director</i></td> </tr> <tr> <td>Dr Lye Kin Mun</td> <td><i>Independent Director</i></td> </tr> <tr> <td>Mr Tan Chao Hsiung, David</td> <td><i>Lead Independent Director</i></td> </tr> <tr> <td>Mr Cheng Heng Tan</td> <td><i>Independent Director</i></td> </tr> </table> <p>Majority of the Board is made up of independent directors who have the appropriate core competencies and diversity of experience to enable them, in their collective wisdom, contribute effectively to the Company. All Directors are expected, in the course of carrying out their duties, to act in good faith, provide insights and discharge their duties and responsibilities in the interests of the Group. Where conflict of interest arises, the concerned Directors recuse themselves from discussions and decisions involving the matter and abstain from voting on the matter.</p> <p>The Board has established the Terms of Reference of the Board to promote high standards of corporate governance. The Terms of Reference of the Board outline high level duties and responsibilities of the Board and matters that are specifically reserved for the Board. It is a comprehensive reference document for Directors on matters relating to the Board and its processes, as well as role and responsibilities of the Board, its committees and management to ensuring effective communication and decisions.</p> <p>The Board’s role is to:</p> <ol style="list-style-type: none"> <li>Oversees the management of the Group;</li> <li>Set strategic objectives and ensure that the necessary financial, strategies and human resources are in place for the Group to meet its objectives;</li> <li>Delegates the formulation of business policies and the day-to-day management of the Group to the Executive Director and Chief Executive Officer (“CEO”) and management to ensure operations and performance of the Group are aligned with the strategies; and</li> <li>Consider sustainability issues, e.g. environmental and social factors as part of its strategic formulation.</li> </ol>	Dr Chen Mun	<i>Chairman and Chief Executive Officer</i>	Ms Ang Bee Yan, Katherine	<i>Executive Director</i>	Dr Lye Kin Mun	<i>Independent Director</i>	Mr Tan Chao Hsiung, David	<i>Lead Independent Director</i>	Mr Cheng Heng Tan	<i>Independent Director</i>
Dr Chen Mun	<i>Chairman and Chief Executive Officer</i>										
Ms Ang Bee Yan, Katherine	<i>Executive Director</i>										
Dr Lye Kin Mun	<i>Independent Director</i>										
Mr Tan Chao Hsiung, David	<i>Lead Independent Director</i>										
Mr Cheng Heng Tan	<i>Independent Director</i>										

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<p>Provision 1.1 of the Code: Directors are fiduciaries who act objectively in the best interests of the company</p> <p>(cont'd)</p>	<p>The Board ensures the decisions made are objectively in the interest of the Company.</p> <p>The Board provides shareholders with a balanced and clear assessment of the Group's performance, financial position and prospects on half-yearly basis. While the Board remains responsible for providing oversight in the preparation and presentation of the financial statements, it has delegated to the management the task of ensuring that the financial statements are drawn up and presented in compliance with the relevant provisions of the Singapore Companies Act 1967 ("the Act") and the Singapore Financial Reporting Standards (International) ("SFRS(I)").</p>
<p>Provision 1.2 of the Code: Directors' duties, induction, training and development</p>	<p>To enable the Directors to understand the Company's business as well as their Directorship duties and roles, the Directors receive regular updates on relevant new laws and regulations from the Company's relevant advisors.</p> <p>Newly-appointed Directors will be briefed on the business and organisation structure of the Group and its strategic plans and objectives. The orientation for new Directors includes visits to the Group's key premises to familiarise themselves with the Company's operations. Such visits also allow new Directors to get acquainted with senior management, thereby facilitating interaction with the Board and independent access to senior management. Appropriate training shall be arranged upon request by newly-appointed Directors to ensure that newly-appointed Directors are fully aware of their responsibilities and obligations as Directors. Rule 210(5)(a) of the Listing Manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST") requires a Director who has no prior experience as a Director of a company listed on the SGX-ST, to attend the training programmes conducted by the Singapore Institute of Directors ("SID") as prescribed in Practice Note 2.3 of the Listing Manual of the SGX-ST. Newly appointed Directors will receive a formal letter of appointment setting out his/her duties and responsibilities.</p> <p>Professor Cham Tao Soon was appointed as independent director on 19 May 2023. He was also appointed as Chairman of the Remuneration Committee and member of the Audit and Risk Management Committee and Nominating Committee on 1 June 2023.</p> <p>Professor Cham has been briefed on the business and organisation structure of the Group and its strategic plans and objectives with orientation which includes visits to the Group's key premises to familiarise himself with the Company's operations. Professor Cham has prior experience acted as independent director of Soup Holdings Limited since 2007. Professor Cham is also acting as independent director of NSL since 1988. He has also received a formal letter of appointment setting out his duties and responsibilities.</p> <p>The Directors have attended appropriate training on governance practices, enterprise risk management and relevant statutory and regulatory compliance issues. The Company encourages all Directors to receive regular training, particularly on new laws, regulations and commercial risk from time to time. The Directors keep themselves abreast with the changes and developments. Furthermore, the Company Secretary also highlight the relevant changes and guidelines on statutory and regulatory requirements from time to time to the Board. The External Auditors on the other hand, briefs the Board on changes to the SFRS(I) that affect the Group's financial statements during the period. The Board also receive regular briefings and updates on the Group's business, operations and activities at the Board and Board Committees' meetings and when necessary or appropriate, the Board exchange views through informal meetings. When necessary, the Independent Non-Executive Directors will have discussions amongst themselves without the presence of the management.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<p>Provision 1.2 of the Code: Directors' duties, induction, training and development</p> <p>(cont'd)</p>	<p>The Group keeps the Directors informed via electronic mail and briefing conducted during Board meetings on new laws, changes to the laws, regulatory compliance issues and financial reporting standards, changes to the financial reporting standards are monitored closely by the management. Furthermore, the Company Secretary and outsourced secretarial agent highlight any changes to laws and regulatory requirements that may affect the Group from time to time. The External Auditor on the other hand, briefs the Board on changes to the SFRS(l) that affect the Group's financial statements during the period. The Board also receives regular briefings and updates on the business and strategic developments pertaining to the Group's businesses. When necessary or appropriate, the Board convenes informal meetings for the exchange of views while the Independent Directors conduct discussions amongst themselves from time to time without the presence of the management.</p> <p>In addition, during FY2023 all Directors have completed the mandated sustainability training course organised by University of Cambridge Institute for Sustainability Leadership ("CISL") and the Institute of Singapore Chartered Accountants ("ISCA") as required by the enhanced SGX sustainability reporting rules announced in December 2021.</p>
<p>Provision 1.3 of the Code: Matters requiring Board's approval</p>	<p>The Company has adopted internal guidelines which set forth matters that are reserved for the Board's decision. Matters which are specifically reserved for the Board's decision include:</p> <ul style="list-style-type: none"> <li>(a) the appointment of Directors to the Board and senior management staff;</li> <li>(b) major investments decisions of the Group, including new investments and any increase in existing investments in businesses and the subsidiaries of the Group;</li> <li>(c) any divestments to be undertaken by any of the Group's subsidiaries;</li> <li>(d) major funding decisions, including share issuances;</li> <li>(e) interim and final dividends and other returns to shareholders;</li> <li>(f) commitments to borrowing facilities from banks and financial institutions by the Company;</li> <li>(g) interested person transactions;</li> <li>(h) acquisitions and disposal of assets exceeding the limits set by the Board; and</li> <li>(i) expenditures exceeding the limits set by the Board.</li> </ul> <p>The Group also has internal guidelines which set out, among others, the authorisation limits granted to the management for approval of capital and operating expenditures.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report																																												
<p>Provision 1.4 of the Code: Board committees</p>	<p>Board Committees, namely Audit Committee, Nominating Committee (“NC”) and Remuneration Committee (“RC”) have been constituted to assist the Board in the discharge of specific responsibilities (the “Board Committees”). The Board Committees review or make recommendations to the Board on matters within their specific terms of reference.</p> <p>The Audit Committee has been renamed as Audit and Risk Management Committee (“ARMC”) on 21 June 2022 to better reflect the roles and responsibilities of the Audit Committee in assisting the Board to oversee the risk management of the Company.</p> <p>Board meetings are conducted on half-yearly basis and ad-hoc meetings are held whenever the Board’s guidance or approval is required.</p> <p>Dates of Board, Board Committee and annual general meetings are scheduled in advance in consultation with the Directors to assist them in planning their attendance. Pursuant to the Company’s Constitution, a director who is unable to attend a Board meeting in person can still participate in the meeting via telephone conference, video conference or other similar communication.</p> <p>Technology is effectively used in the Board and Board Committees’ meetings and in communication with the Board, where the Directors may receive agenda and meeting materials online such as email and participate in meetings via audio or video conferencing.</p> <p>Senior management is invited to attend the Board Committees and Board meetings to provide additional insights into matters to be discussed.</p> <p>Senior management also provides the Group’s businesses, business strategies and performance at these meetings. These allow the Board to have a good understanding of the Group’s operations and actively engage in robust discussions with the Group’s senior executives. Directors may request for further explanation, briefings or discussions on any aspect of the Group’s operations or business from Management. As and when required, Board members meet to exchange views outside the formal environment of Board meetings.</p>																																												
<p>Provision 1.5 of the Code: Attendance and participant of the Directors and time commitment</p>	<p>Attendance of the Directors at scheduled meetings of the Board and Board Committees during the financial year ended 31 March 2023 (“FY2023”) is as follows:</p> <table border="1" data-bbox="431 1495 1458 1832"> <thead> <tr> <th data-bbox="431 1495 837 1602" rowspan="2">Number of scheduled meetings held</th> <th colspan="4" data-bbox="837 1495 1458 1534">Board Committees</th> </tr> <tr> <th data-bbox="837 1534 1000 1566">Board</th> <th data-bbox="1000 1534 1154 1566">ARMC</th> <th data-bbox="1154 1534 1312 1566">NC</th> <th data-bbox="1312 1534 1458 1566">RC</th> </tr> </thead> <tbody> <tr> <td data-bbox="431 1566 837 1602"></td> <td data-bbox="837 1566 1000 1602">4</td> <td data-bbox="1000 1566 1154 1602">2</td> <td data-bbox="1154 1566 1312 1602">1</td> <td data-bbox="1312 1566 1458 1602">1</td> </tr> <tr> <td data-bbox="431 1602 837 1640"><b>Name of Directors</b></td> <td data-bbox="837 1602 1000 1640"></td> <td data-bbox="1000 1602 1154 1640"></td> <td data-bbox="1154 1602 1312 1640"></td> <td data-bbox="1312 1602 1458 1640"></td> </tr> <tr> <td data-bbox="431 1640 837 1678">Dr Chen Mun</td> <td data-bbox="837 1640 1000 1678">4</td> <td data-bbox="1000 1640 1154 1678">2<sup>^</sup></td> <td data-bbox="1154 1640 1312 1678">1<sup>^</sup></td> <td data-bbox="1312 1640 1458 1678">1<sup>^</sup></td> </tr> <tr> <td data-bbox="431 1678 837 1717">Ms Ang Bee Yan, Katherine</td> <td data-bbox="837 1678 1000 1717">4</td> <td data-bbox="1000 1678 1154 1717">2<sup>^</sup></td> <td data-bbox="1154 1678 1312 1717">1<sup>^</sup></td> <td data-bbox="1312 1678 1458 1717">1<sup>^</sup></td> </tr> <tr> <td data-bbox="431 1717 837 1755">Dr Lye Kin Mun</td> <td data-bbox="837 1717 1000 1755">4</td> <td data-bbox="1000 1717 1154 1755">2</td> <td data-bbox="1154 1717 1312 1755">1</td> <td data-bbox="1312 1717 1458 1755">1</td> </tr> <tr> <td data-bbox="431 1755 837 1793">Mr Tan Chao Hsiung, David</td> <td data-bbox="837 1755 1000 1793">4</td> <td data-bbox="1000 1755 1154 1793">2</td> <td data-bbox="1154 1755 1312 1793">1</td> <td data-bbox="1312 1755 1458 1793">1</td> </tr> <tr> <td data-bbox="431 1793 837 1832">Mr Cheng Heng Tan</td> <td data-bbox="837 1793 1000 1832">4</td> <td data-bbox="1000 1793 1154 1832">2</td> <td data-bbox="1154 1793 1312 1832">1</td> <td data-bbox="1312 1793 1458 1832">1</td> </tr> </tbody> </table> <p>Note: <sup>^</sup> Attended by invitation</p> <p>Important matters concerning the Group can also be put to the Board and Board Committees for decision by way of written resolutions.</p>	Number of scheduled meetings held	Board Committees				Board	ARMC	NC	RC		4	2	1	1	<b>Name of Directors</b>					Dr Chen Mun	4	2 <sup>^</sup>	1 <sup>^</sup>	1 <sup>^</sup>	Ms Ang Bee Yan, Katherine	4	2 <sup>^</sup>	1 <sup>^</sup>	1 <sup>^</sup>	Dr Lye Kin Mun	4	2	1	1	Mr Tan Chao Hsiung, David	4	2	1	1	Mr Cheng Heng Tan	4	2	1	1
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# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<p>Provision 1.6 of the Code: Complete, adequate and timely information prior to make informed decisions</p>	<p>The management recognises that the flow of complete, adequate and timely information on an on-going basis to the Board is essential to the Board's effective and efficient discharge of its duties.</p> <p>The management has provided the Board in advance with half-yearly management accounts, annual budget and relevant background information and materials relating to the matters that were discussed at Board meetings. This enables the discussion during the meetings to focus on questions that Directors may have. Any additional materials or information requested by the Directors is promptly furnished. During the Board meetings, management staff who are able to explain and provide insights to the matters to be discussed are invited to make the appropriate presentations and answer any queries from the Directors.</p>
<p>Provision 1.7 of the Code: Separate and Independent access to management, company secretary and external advisers; Appointment and removal of the company secretary</p>	<p>The Directors have separate and independent access to the Management, the company secretary, and external advisers.</p> <p>The Board takes independent professional advice as and when necessary concerning any aspect of the Group's operations or undertakings in order to discharge its responsibilities effectively. Any cost of obtaining professional advice will be borne by the Company.</p> <p>The role of the Company Secretary is clearly defined and includes responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with. The responsibilities of the Company Secretary include:</p> <ul style="list-style-type: none"> <li>(a) administers, attends and prepares minutes of all Board and Board Committees meetings;</li> <li>(b) assists the Board in ensuring that the Company complies with the relevant requirements of the Act and Listing Rules;</li> <li>(c) advises the Board on all corporate governance matters;</li> <li>(d) assists the Independent Non-Executive Chairman in ensuring good information flows within the Board, Board Committees and between the management and the independent Directors; and</li> <li>(e) communication channel between the Company and SGX-ST. The Company Secretary attends all Board and Board Committees meetings and is responsible to ensure that Board procedures are followed.</li> </ul> <p>The appointment or removal of the Company Secretary is subject to the approval of the Board as a whole.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<b>BOARD COMPOSITION AND GUIDANCE</b>	<b>Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.</b>
<p>Provision 2.1 of the Code: Director Independent</p> <p>Provision 2.2 of the Code: Independent Directors make up a majority of the Board</p> <p>Provision 2.3 of the Code: Non-executive Directors make up a majority of the Board</p>	<p>There is a strong independent element on the Board with independent Directors constituting majority of the Board. Currently, the Board consists of five Directors of whom three are independent.</p> <p>The Company has more than half the Board with independent Directors as the Chairman is an Executive Non-Independent Director.</p> <p>Each Independent Director was required to complete a confirmation of independence, drawn up according to the guidelines stated in the Code of Corporate Governance, to confirm his independence. The Independent Directors shall disclose to the Board any relationships or circumstances which are likely to affect, or could appear to affect, his judgement. The independence of each Director is reviewed annually by NC. Based on the annual review of the independence of the Independent Directors according to the guidelines stated in the Code, the NC ascertained that all Independent Directors are independent.</p> <p>Rule 210(5)(d)(iii) of the Listing Manual of SGX-ST provides that the continued appointment of an independent director who has served the Board for an aggregate period of more than nine years will be subject to the approval of: (A) all shareholders; and (B) all shareholders, excluding shareholders who are directors and chief executive officer (and their associates) (the “Two-Tier Voting”). Such resolutions approved via Two-Tier Voting remain in force for three years from the conclusion of the annual general meeting until the earlier of the following: (I) the retirement or resignation of the director; or (II) the conclusion of the third annual general meeting of the issuer following the passing of the resolutions.</p> <p>Dr Lye Kin Mun and Mr Tan Chao Hsiung, David, who have served as Board members for more than nine years from the date of their appointments, had obtained approvals from shareholders pursuant to Rule 210(5)(d)(iii) of the Listing Manual of SGX-ST at the Annual General Meeting held on 23 July 2021 and being re-appointed as independent directors.</p> <p>The NC and the Board have conducted a rigorous review of their independence and contributions to the Board to determine if they still remained independent and carry out their duties objectively. Under such rigorous review, each Independent Director has confirmed that neither he nor any of his immediate family has any relationship or business dealings with a controlling shareholder, Director or key management personnel or their associates that would give rise to a conflict of interest or impairment of the Independent Director’s independence. The NC and the Board are of the view that Dr Lye Kin Mun and Mr Tan Chao Hsiung, David, possess valuable experience and knowledge, as well as maintained their objectivity and independence at all times in the discharge of each of their duties as Director of the Company.</p> <p>On 11 January 2023, Singapore Exchange Regulation (SGX RegCo) announced Listing Rule changes to limit to nine years the tenure of independent directors (IDs) serving on the boards of listed companies and to remove the two-tier vote mechanism for listed companies to retain long-serving IDs who have served for more than nine years. The two-tier vote was removed on 11 January 2023. As transition, IDs whose tenure exceeds the nine-year limit can continue to serve as independent directors until the listed companies’ annual general meeting (AGM) held for the financial year ending on or after 31 December 2023. In view of the change, the Company will look for suitable candidates to be appointed as Lead Independent Director and Independent Director before the AGM for the financial year ending on 31 March 2024.</p>



# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<p>Provision 2.4 of the Code: Composition and size of the Board and Board Committees, Board diversity policy</p>	<p>The Company has in place the Board Diversity Policy with a view to achieving a sustainable and balanced development as the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition and selection of new Board members, the Board strives to ensure that:</p> <ul style="list-style-type: none"> <li>a) All candidates are included for consideration during the search for new appointments to the Board regardless of gender, age, nationalities or ethnicity;</li> <li>b) There is appropriate mix of gender representation on the Board, taking into account the skills and experience the candidates can contribute; and</li> <li>c) External search consultants when looking for suitable candidates for appointment to the Board will be specifically directed to include diverse candidates and women candidates in particular.</li> </ul> <p>The Board has examined its size and is of the view that it is an appropriate size for efficient and effective decision-making, taking into account the scope and nature of the operations of the Company. The Board currently comprises one female Director, namely, Ms Ang Bee Yan, Katherine. The NC is of the view that no individual or small group of individuals dominate the Board's decision-making process.</p> <p>The Company has a good balance of Directors with a wide range of skills, experience and qualities in the fields of operations, management, financial, legal and accounting. Each Director has been appointed on the strength of his or her calibre, experience, grasp of corporate strategy and potential to contribute to the Company and its businesses.</p> <p>Each Director brings valuable insights from different perspectives, such as strategic planning, management, finance, accounting and legal, vital to the strategic interests of the Company. Profiles of the Directors are found in the "Board of Directors" section of the Annual Report. The Board considers that the current composition of the Board encompasses an appropriate balance and diversity of skills, experience, gender, knowledge and competencies to provide the management with a diverse and objective perspective on issues so as to lead and govern the Company effectively.</p> <p>In recognition of the importance and value of gender diversity in the composition of the Board, the Company undertakes to have at least one representation of female director on the Board. The Board has one female director currently. Ms Katherine Ang has been member of the Board since July 2011.</p> <p>In addition, the Board consists of directors with ages ranging from mid-40s to mid-80s, who have served on the Board for different tenures. The Board members with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction.</p> <p>The NC and the Board 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. It will also continue its identification and evaluation of suitable candidates to ensure there is diversity (including gender diversity) on the Board.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report			
Provision 2.4 of the Code: Composition and size of the Board and Board Committees, Board diversity policy  (cont'd)	The NC has classified into the following core competencies, skills, experiences and knowledge of Directors for FY2023:			
	<table border="1"> <thead> <tr> <th style="text-decoration: underline;">Balance and Diversity of the Board</th> <th style="text-decoration: underline;">Number of Directors in FY2023</th> <th style="text-decoration: underline;">Proportion of Board members of 5</th> </tr> </thead> </table>	Balance and Diversity of the Board	Number of Directors in FY2023	Proportion of Board members of 5
	Balance and Diversity of the Board	Number of Directors in FY2023	Proportion of Board members of 5	
	<b>Core Competencies</b>			
	Accounting or finance related	4                      80%		
	Business and management experience	5                      100%		
	Legal and Regulatory	3                      60%		
	Relevant industry knowledge	3                      60%		
	Strategic planning experience	3                      60%		
	Human Resource Management	2                      40%		
	Customer-based & marketing	2                      40%		
	Manufacturing	2                      40%		
	Research & Development	1                      20%		
	<b>Gender</b>			
	Male	4                      80%		
	Female	1                      20%		
	<b>Age Group</b>			
	51 - 70	2                      40%		
	71 - 80	3                      60%		
	<b>Independence</b>			
	Independent directors	3                      60%		
Non-Independent directors	2                      40%			
<b>Directors' Citizenship</b>				
Singapore Citizen	5                      100%			
<b>Independent Directors been with the Company*</b>				
< 9 years	1                      33%			
> 9 years	2                      67%			
* Based on 3 independent directors in FY2023.				

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report										
Provision 2.4 of the Code: Composition and size of the Board and Board Committees, Board diversity policy  (cont'd)	The Company strives to achieve the following Board Diversity Targets: <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="width: 50%;">Targets</th> <th style="width: 50%;">Progress</th> </tr> </thead> <tbody> <tr> <td>(1) The majority of the Board members are to be independent.</td> <td> <p>As at 31 March 2023, the Board of Directors comprises of 5 members in FY2023 of which three of them are Non- Executive Independent Directors.</p> <p>With more than half of the Board members are independent directors, the target has been achieved.</p> <p>The Company had appointed the fourth Non- Executive Independent Director in FY2024.</p> </td> </tr> <tr> <td>(2) To bring more female representation on the Board by 2030.</td> <td> <p>As at 31 March 2023, the Company has 20% female representation on its Board.</p> <p>The NC and the Board will continue to assess to have more representation of female director on the Board, if required.</p> </td> </tr> <tr> <td>(3) Maintain age diversity with Directors' age ranging from below 70s with majority of the Directors in the 70 to 80 range.</td> <td> <p>As at 31 March 2023, the Company has 40% on the Board age below 70s.</p> <p>The Board has continued to maintain this Target.</p> </td> </tr> <tr> <td>(4) Achieving a balance of skill set on the Board to achieve the Company's strategic objectives.</td> <td> <p>The broad categories in the skill matrix are (i) industry knowledge (ii) management expertise and (iii) professional skills (eg. finance/ accounting, risk management, legal and corporate finance/mergers and acquisitions etc).</p> <p>The NC and the Board had reviewed the skill matrix and are satisfied that the current Board members have the appropriate skill set to lead and govern the Group effectively.</p> </td> </tr> </tbody> </table>	Targets	Progress	(1) The majority of the Board members are to be independent.	<p>As at 31 March 2023, the Board of Directors comprises of 5 members in FY2023 of which three of them are Non- Executive Independent Directors.</p> <p>With more than half of the Board members are independent directors, the target has been achieved.</p> <p>The Company had appointed the fourth Non- Executive Independent Director in FY2024.</p>	(2) To bring more female representation on the Board by 2030.	<p>As at 31 March 2023, the Company has 20% female representation on its Board.</p> <p>The NC and the Board will continue to assess to have more representation of female director on the Board, if required.</p>	(3) Maintain age diversity with Directors' age ranging from below 70s with majority of the Directors in the 70 to 80 range.	<p>As at 31 March 2023, the Company has 40% on the Board age below 70s.</p> <p>The Board has continued to maintain this Target.</p>	(4) Achieving a balance of skill set on the Board to achieve the Company's strategic objectives.	<p>The broad categories in the skill matrix are (i) industry knowledge (ii) management expertise and (iii) professional skills (eg. finance/ accounting, risk management, legal and corporate finance/mergers and acquisitions etc).</p> <p>The NC and the Board had reviewed the skill matrix and are satisfied that the current Board members have the appropriate skill set to lead and govern the Group effectively.</p>
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<p>The NC ensures that the size of the Board is conducive to effective discussion and decision-making, and that the Board has an appropriate number of Independent Directors to provide diversity in expertise, knowledge and experience as well as age and gender. Members of the Board include seasoned professionals in engineering, finance and business management. The Board believes that its members' different backgrounds, skill sets, experience, age and gender provide a diversity of perspectives which contribute to the quality of its decision-making.</p>											

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<p>Provision 2.4 of the Code: Composition and size of the Board and Board Committees, Board diversity policy</p> <p>(cont'd)</p>	<p>The NC is of the view that the current Board comprises persons who collectively possess the necessary core competencies, and as a group, provide an appropriate level of independence and diversity of skills, experience and knowledge of the Company, and that the current Board size is appropriate, taking into consideration the nature and scope of the Group's operations.</p> <p>The NC will also continue to assess independence, bearing in mind Principle 2 of the Code and Provisions 2.2 and 2.3 of the Code, in any change in the Board composition when appropriate, as part of the Board's renewal process. The NC believes that there is an appropriate balance of industry knowledge, skills, background, experience, professional qualifications and age on the Board, and is satisfied that the objectives of the Board Diversity Policy continue to be met.</p>
<p>Provision 2.5 of the Code: Independent Directors meet regularly without the presence of the Management</p>	<p>To facilitate a more effective check on the management, the Independent Directors meet at least once a year, each with the Group's Internal and External Auditor without the presence of the management. Where necessary, the Company co-ordinates informal meeting sessions for Non-Executive Directors and Independent Directors to meet without the presence of the management.</p>
<p><b>CHAIRMAN AND CHIEF EXECUTIVE OFFICER</b></p>	<p><b>Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers in decision-making.</b></p>
<p>Provision 3.1 of the Code: Chairman and CEO should be separate persons</p> <p>Provision 3.2 of the Code: Division of responsibilities between the Chairman and the CEO</p> <p>Provision 3.3 of the Code: Lead Independent Director</p>	<p>Dr Chen Mun, who is both the Chairman and Chief Executive Officer ("CEO") of the Company, leads the Board. This practice has been carried on since inception and he leads the Board meetings because of his in-depth knowledge of the Group's operations as well as his excellent relationship with the customers, suppliers and other external parties that carry on business with the Group.</p> <p>Dr Chen Mun is responsible for the proper workings of the Board which include the scheduling of meetings, setting of Board meeting agenda in consultation with the Company Secretary, exercising of control over quality and timeliness of information flow between the Management and the Board, managing the business of the Board and Board Committees, monitoring the translation of the Board's decision and wishes into executive actions and is assisted by the three Board Committees in ensuring compliance with the Company's guidelines on corporate governance.</p> <p>The Board has a strong independent group of Directors to look after shareholders' interests. Day-to-day running of business operations are delegated to key senior executives while the Chairman focuses on long term and strategic plans of the Company.</p> <p>The Independent Directors currently form more than half of the composition of the Board and exercise objective judgement on corporate matters impartially, thus ensuring a good balance of power and authority. As such, it would not be necessary for the Group to effect a separation of the role of Chairman and CEO.</p> <p>The Board is mindful of the desirability of separating the two functional positions. However, it believes that vulnerability of the dual roles, if any, is considerably lessened by the checks and balances energetically exercised by a board that comprises majority of independent directors. In practice, all major decisions made by the Executive Chairman are reviewed by the independent directors and reported to the Board.</p> <p>The NC and the Board unanimously support Dr Chen Mun's role as both Chairman and CEO. The Board is of the view that the current single leadership arrangement works well; in particular, it does not hinder the decision-making process of the Company unnecessarily.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<b>Principle 4 of the Code: BOARD MEMBERSHIP</b>	<b>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.</b>
<p>Provision 4.1 of the Code: NC to recommend to the Board on relevant matters</p> <p>Provision 4.2 of the Code: Composition of the NC</p>	<p>As at 31 March 2023, the NC comprises Dr Lye Kin Mun, Mr Tan Chao Hsiung, David and Mr Cheng Heng Tan, all of whom are non-executive and independent Directors. The Chairman of the NC is Dr Lye Kin Mun.</p> <p>The key Terms of Reference of the NC are as follows:</p> <ul style="list-style-type: none"> <li>(a) Review the Board and Board Committees structure, size, and composition annually;</li> <li>(b) Identify suitable candidate and review all nominations on appointment and re-appointment of Directors;</li> <li>(c) Determine annually whether or not a Director is independent, guided by the independent guidelines contained in the code;</li> <li>(d) Develop a performance evaluation framework for the Board, the Committee and Individual Directors, and proposing objective performance criteria to assess the effectiveness of the Board, the Committee and Individual Directors;</li> <li>(e) Review and decide if a Director, who has multiple board representations on publicly listed companies, is able to and has been adequately carrying out his/her duties as a Director of the Company;</li> <li>(f) Review and recommend training and professional development programme for the Board;</li> <li>(g) Assess whether each director is able to and has been adequately carrying out his duties as Director of the Company;</li> <li>(h) Review of succession plans for Directors, CEO and key management personnel of the Company; and</li> <li>(i) Generally undertake such other functions and duties as may be required by the Board under the Code, statute or SGX Listing Rules (Mainboard).</li> </ul> <p>Regulation 103 of the Company's Constitution which states that one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to one-third with a minimum of one, shall retire from office, provided that all Directors shall retire from office at least once every three years.</p> <p>Regulation 107 of the Company's Constitution which states that the Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall hold office only until the next Annual General Meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.</p> <p>Pursuant to Rule 720(5) of the Listing Manual of SGX-ST which effective from 1 January 2019, every Director must retire from office at least once every three years and are eligible for re-election.</p> <p>The NC has recommended the nominations of Dr Lye Kin Mun and Ms Ang Bee Yan, Katherine retiring under Regulation 103 of the Constitution of the Company for re-elections at the forthcoming AGM.</p> <p>Dr Lye Kin Mun will, upon re-election as Director of the Company, remain as Chairman of the NC and a member of the ARMC and RC and will be considered independent.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report																												
<p>Provision 4.1 of the Code: NC to recommend to the Board on relevant matters</p> <p>Provision 4.2 of the Code: Composition of the NC</p> <p>(cont'd)</p>	<p>Ms Ang Bee Yan, Katherine will, upon re-election as Director of the Company, remain as Executive Director of the Company and will be considered non-independent.</p> <p>The NC has recommended the nomination of Professor Cham Tao Soon retiring under Regulation 107 of the Constitution of the Company for re-election at the forthcoming AGM.</p> <p>Professor Cham Tao Soon will, upon re-election as Director of the Company, remain as Chairman of the RC and a member of the ARMC and NC and will be considered independent.</p> <p>Dr Lye Kin Mun, Ms Ang Bee Yan, Katherine and Professor Cham Tao Soon have given their consents for re-elections, to be put forward for shareholders' approvals at the forthcoming Thirty-Fourth Annual General Meeting.</p> <p>Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in respect of matters in which he is interested. Each member of the NC also abstains from making recommendations on their own nominations respectively.</p> <p>The Board has accepted the NC's recommendations and Dr Lye Kin Mun, Ms Ang Bee Yan, Katherine and Professor Cham Tao Soon, being eligible had offered themselves for re-elections as Directors of the Company pursuant to Regulation 103 and Regulation 107 of the Company's Constitution. Please refer to "Board of Directors" section of the Annual Report for details and information of the above Directors.</p> <p>Key information on the Directors as at date of this Report is set out below and on page 8 of this Annual Report.</p> <table border="1"> <thead> <tr> <th style="text-align: left;">Name of Director</th> <th style="text-align: center;">Age</th> <th style="text-align: left;">Directorship (a) Date first appointed (b) Date last re-elected</th> <th style="text-align: left;">Due for reelection at next AGM</th> </tr> </thead> <tbody> <tr> <td>Chen Mun</td> <td style="text-align: center;">75</td> <td>(a) 1 February 1989 (b) 25 July 2022</td> <td>Not Applicable</td> </tr> <tr> <td>Ang Bee Yan, Katherine</td> <td style="text-align: center;">59</td> <td>(a) 1 July 2011 (b) 20 September 2020</td> <td>Retiring pursuant to Regulation 103 of the Company's Constitution</td> </tr> <tr> <td>Lye Kin Mun</td> <td style="text-align: center;">71</td> <td>(a) 1 February 1993 (b) 29 September 2020</td> <td>Retiring pursuant to Regulation 103 of the Company's Constitution</td> </tr> <tr> <td>Tan Chao Hsiung, David</td> <td style="text-align: center;">61</td> <td>(a) 24 March 2008 (b) 23 July 2021</td> <td>Not Applicable</td> </tr> <tr> <td>Cheng Heng Tan</td> <td style="text-align: center;">71</td> <td>(a) 8 February 2021 (b) 25 July 2022</td> <td>Not Applicable</td> </tr> <tr> <td>Cham Tao Soon</td> <td style="text-align: center;">84</td> <td>(a) 19 May 2023 (b) Not Applicable</td> <td>Retiring pursuant to Regulation 107 of the Company's Constitution</td> </tr> </tbody> </table>	Name of Director	Age	Directorship (a) Date first appointed (b) Date last re-elected	Due for reelection at next AGM	Chen Mun	75	(a) 1 February 1989 (b) 25 July 2022	Not Applicable	Ang Bee Yan, Katherine	59	(a) 1 July 2011 (b) 20 September 2020	Retiring pursuant to Regulation 103 of the Company's Constitution	Lye Kin Mun	71	(a) 1 February 1993 (b) 29 September 2020	Retiring pursuant to Regulation 103 of the Company's Constitution	Tan Chao Hsiung, David	61	(a) 24 March 2008 (b) 23 July 2021	Not Applicable	Cheng Heng Tan	71	(a) 8 February 2021 (b) 25 July 2022	Not Applicable	Cham Tao Soon	84	(a) 19 May 2023 (b) Not Applicable	Retiring pursuant to Regulation 107 of the Company's Constitution
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# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<p>Provision 4.3 of the Code: Process for the selection, appointment and re-appointment of Directors</p>	<p>When the need for a new Director to replace a retiring Director arises, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the NC, in consultation with the Board, determines the selection criteria. Candidates would first be sourced through an extensive network of contacts and identified based on the needs of the Group and relevant expertise and experience required. The NC may engage recruitment consultants to undertake research on or assess candidates for new position on the Board, or to engage such other independent experts, if necessary. After the Board has interviewed the candidates, the NC would further shortlist and recommend the candidates for appointment to the Board. The Board has the final discretion in appointing new Directors.</p> <p>The NC recommends the appointment and re-election of Directors to the Board for approval based on the following criteria:</p> <ul style="list-style-type: none"> <li>(a) Expertise and experience of the candidate and whether they have discharged their duties adequately as Directors of the Company, officers of other companies and/or professionals in the area of expertise;</li> <li>(b) Independence of the candidate (for Independent Directors);</li> <li>(c) Appointment or re-appointment will not result in non-compliance with any composition requirements for the Board and Board Committees; and</li> <li>(d) Whether the candidate is a fit and proper person in accordance with Monetary Authority of Singapore's ("MAS") fit and proper guidelines, which broadly take into account the candidate's honesty, integrity and reputation; his competence and capability; and financial soundness.</li> </ul> <p>Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as a Director.</p> <p>The Board of the Company does not comprise any alternate Director and no alternate Director was appointed during FY2023.</p>
<p>Provision 4.4 of the Code: Circumstances affecting Directors' Independence</p>	<p>Having regard to the circumstance sets set forth in Provision 2.1 of the Code, the Directors disclose their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board under the declaration of section 156 of the Act.</p> <p>The NC is responsible for determining annually whether or not a Director is independent for purpose of the Code. Each Independent Director is required to complete a confirmation of independence, drawn up according to the guidelines stated in the Code, to confirm his independence. He is required to disclose to the Board any relationships or circumstances which are likely to affect, or could appear to affect, his judgement. Based on the annual review of the independence of the Independent Directors according to the guidelines stated in the Code, the NC ascertained that all independent Directors are independent for the purpose of the Code.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<p>Provisions 1.5 and 4.5 of the Code: Multiple listed company Directorship and other principal commitments</p>	<p>When a Director has multiple listed company Directorship and other principal commitments, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company.</p> <p>The NC believes that putting a maximum limit on the number of Directorships a Director can hold is arbitrary, given that time requirements for each vary, and thus should not be prescriptive.</p> <p>The NC is satisfied that sufficient time and attention were given by the Directors to the affairs of the Company during FY2023, notwithstanding that they hold Directorships in other listed companies and have other principal commitments and will continue to do so in FY2023.</p> <p>The list of Directorships held by Directors presently or in the preceding three years in other listed companies, and other principal commitments are set out in the “Board of Director” section of the Annual Report.</p>
<p><b>BOARD PERFORMANCE</b></p>	<p><b>Principle 5: There Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each its board committees and individual Directors.</b></p>
<p>Provision 5.1 and 5.2 of the Code: Assessment of effectiveness of the Board and Board committees and assessing the contribution by the Chairman and each Director</p>	<p>The NC is responsible in evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The performance evaluation framework is in the form of assessment questionnaires and the evaluation covers amongst other, Board and Board Committees’ compositions, processes in managing the Group’s performance, effectiveness of the Board, Board Committees as well as conduct, mix of skills, knowledge, competencies and contribution of each Director to the Company in discharging their function.</p> <p>The questionnaires are completed by the members of the Board and Board Committees and each Director for self-assessment. The completed questionnaires are collated by the Company Secretary for deliberation by the NC. The NC led by its Chairman, reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement as well as for them to form the basis of recommending relevant Directors for re-election at the AGM. The Chairman will act on the results of the performance evaluation and in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of Directors.</p> <p>During the FY2023, the NC met once and assessed the Board, Board Committees and individual Directors. The NC was satisfied with the outcome of the evaluations and both the NC and the Board are of the view that the board has met its performance objectives for FY2023. No external facilitator was engaged in the performance assessment.</p>
<p><b>PROCEDURES FOR DEVELOPING REMUNERATION POLICIES</b></p>	<p><b>Principle 6: There 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 should be involved in deciding his or her own remuneration.</b></p>
<p>Provision 6.2 of the Code: Composition of RC</p>	<p>As at 31 March 2023, the RC comprises Mr Tan Chao Hsiung, David, Dr Lye Kin Mun and Mr Cheng Heng Tan, all of whom are non-executive and independent Directors. The Chairman of the RC is Mr Tan Chao Hsiung, David.</p>



# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<p>Provision 6.1 of the Code: RC to recommend remuneration framework and packages</p>	<p>The key Terms of Reference of the RC are as follows:</p> <ul style="list-style-type: none"> <li>(a) review and recommend to the Board a general framework of remuneration for the Board and key management personnel;</li> <li>(b) review and recommend to the Board the specific remuneration packages for each Director and key management personnel;</li> <li>(c) review and recommend to the Board the terms of renewal of the service agreements of Executive Directors;</li> <li>(d) determine the appropriateness of the remuneration of non-executive Directors taking into consideration their effort, time spent, responsibilities and level of contribution;</li> <li>(e) review the ongoing appropriateness and relevance of the Company's remuneration policy;</li> <li>(f) administer the Powermatic Data Systems Employees' Share Option Scheme 2013 and any other share option scheme established from time to time for the Directors and the management;</li> <li>(g) work and liaise, as necessary, with all other Board Committees on any other matters connected with remuneration matters; and</li> <li>(h) generally undertake such other functions and duties as may be required by the Board under the Code, statute or SGX Listing Rules (Mainboard).</li> </ul> <p>The recommendations of the RC shall be submitted for endorsement by the Board. The RC covers all aspects of remuneration, including Directors' fees, salaries, allowances, bonuses, grant of shares and share options and benefits-in-kind. Each RC member shall abstain from voting on any resolutions in respect of his remuneration package.</p>
<p>Provision 6.3 of the Code: RC to consider and ensure are aspects of remuneration are fair.</p>	<p>The RC is responsible for all aspects of remuneration, including termination terms.</p> <p>The remuneration structure of the Executive Directors and key executives consist of both fixed and variable components.</p> <p>The variable component is performance related and is linked to the Group's performance as well as individual's performance. Such performance-related remuneration is designed to align with the interests of shareholders.</p> <p>The Executive Directors have service contracts and do not receive directors' fees. Their compensations consist of salary, bonuses, options and performance awards that are dependent on the performance of the Group. The Executive Directors' service contracts are subject to review every two or three years. The RC is of the view that the Directors' service contracts are not excessively long or with onerous removal clauses.</p> <p>The Independent Directors are compensated through directors' fees. Directors' fees comprise a basic retainer fee and fees in respect of service on Board Committees. These fees are subject to shareholders' approval at the AGM.</p> <p>Each member of the RC refrains from voting on any resolutions in respect of the assessment of his own remuneration and no RC member or Director is involved in deciding his own fee.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<p>Provision 6.3 of the Code: RC to consider and ensure are aspects of remuneration are fair.</p> <p>(cont'd)</p>	<p>The RC met once in FY2023. The remunerations of the Executive Directors are reviewed by the RC. The NC, together with the RC, decides on the specific remuneration package for an Executive Director upon recruitment. Thereafter, the RC reviews subsequent increments, bonuses and allowances where these payments are discretionary. No Director or member of the RC is involved in deciding his own remuneration. The RC reviews what compensation commitments the Executive Directors' service contracts would entail in the event of early termination by either the Company or Executive Directors giving to the other at least two months' prior written notice.</p> <p>The RC will seek expert advice on remuneration of all directors, if necessary.</p>
<p>Provision 6.4 of the Code: Expert advice on remuneration</p>	<p>The RC members are familiar with management compensation matters as they manage their own businesses and/or are holding Directorships in other listed companies. If necessary, the RC may seek professional advice on remuneration of all Directors. During FY2023, no external remuneration consultants were engaged.</p>
<p><b>LEVEL AND MIX OF REMUNERATION</b></p>	<p><b>Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.</b></p>
<p>Provision 7.1 and 7.3 of the Code: Executive Directors and key management personnel's remuneration to be linked to corporate and individual performance and aligned with interests of shareholders; Remuneration is appropriate to provide good stewardship and promote long-term success of the Company</p>	<p>The remuneration structure of the Executive Directors and key executives consist of both fixed and variable components. The variable component is performance related and is linked to the Group's performance as well as individual's performance. Such performance-related remuneration is designed to align with the interests of shareholders.</p> <p>The variable component which comprises bonuses is linked to the performance of the Company and the individual. In FY2023, variable or performance related income/bonus made up between 30.68% to 3.85% of the total remuneration of the Executive Director and Chief Executive Officer and each of the Group's key management personnel. The remuneration package is designed to enable the Company to stay competitive and allows the Company to better align executive compensation with shareholder value creation.</p> <p>In setting remuneration packages, the RC ensures that the Directors are adequately but not excessively remunerated as compared to the market employment conditions. The RC also ascertained that Independent Directors are not overly-compensated to the extent that their independence may be compromised.</p> <p>The service agreements of the Executive Directors and Chief Executive Officer contain clauses to allow the Company to reclaim variable components of remuneration in exceptional circumstances.</p>
<p>Provision 7.2 of the Code: Remuneration of non-executive Directors dependent on contribution, effort, time spent and responsibilities</p>	<p>None of the Non-Executive Directors and Independent Directors have service agreements with the Company or receive any remuneration from the Company. They are paid Directors' fees, which are determined by the Board based on their contribution, effort, time spent and responsibilities. The Directors' fees are subject to approval by the Shareholders at each AGM.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report																																													
<b>DISCLOSURE ON REMUNERATION</b>	<p><b>Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.</b></p> <p>There is no termination, retirement and post-employment benefits granted to Directors, the CEO or the top five key management personnel.</p> <p>Short-term incentive of the Executive Director and key management personnel takes the form of annual variable bonus payment and is linked to the performance of the Company and the individual.</p> <p>In view of confidentiality of the remuneration policies of the Company and the competitive pressures in the talent market, the Board is of the opinion that it is in the best interests of the Group to disclose the remuneration of its Directors and key management personnel in salary bands.</p> <p>Accordingly, the Company is of the view that its practices of disclosing the remuneration of its Directors and key management personnel in salary bands are consistent with the intent of provision 8 of the Code, taking into account the strategic objectives of the Company pursuant to Principle 8 of the Code.</p> <p><b>DISCLOSURE OF REMUNERATION OF DIRECTORS AND KEY EXECUTIVES</b></p> <p>A breakdown showing the level and mix of each Individual Director and key executive's remuneration in percentage terms is set out below and relates to actual payments made during the year and accordingly includes bonus paid during the year in respect of previous year's performance.</p> <table border="1"> <thead> <tr> <th>Remuneration band and name of Director</th> <th>Directors' fee (%)</th> <th>Salary, CPF and allowance (%)</th> <th>Variable or performance related bonus (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>S\$500,000 to S\$749,999</b></td> </tr> <tr> <td><b>Below S\$250,000</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Chen Mun</b></td> <td>–</td> <td>89.57</td> <td>10.43</td> <td>100</td> </tr> <tr> <td><b>Ang Bee Yan, Katherine</b></td> <td>–</td> <td>67.82</td> <td>32.18</td> <td>100</td> </tr> <tr> <td><b>Lye Kin Mun</b></td> <td>100</td> <td>–</td> <td>–</td> <td>100</td> </tr> <tr> <td><b>Tan Chao Hsiung, David</b></td> <td>100</td> <td>–</td> <td>–</td> <td>100</td> </tr> <tr> <td><b>Cheng Heng Tan</b></td> <td>100</td> <td>–</td> <td>–</td> <td>100</td> </tr> <tr> <td><b>Cham Tao Soon</b></td> <td>–</td> <td>–</td> <td>–</td> <td>–</td> </tr> </tbody> </table>	Remuneration band and name of Director	Directors' fee (%)	Salary, CPF and allowance (%)	Variable or performance related bonus (%)	Total (%)	<b>S\$500,000 to S\$749,999</b>					<b>Below S\$250,000</b>					<b>Chen Mun</b>	–	89.57	10.43	100	<b>Ang Bee Yan, Katherine</b>	–	67.82	32.18	100	<b>Lye Kin Mun</b>	100	–	–	100	<b>Tan Chao Hsiung, David</b>	100	–	–	100	<b>Cheng Heng Tan</b>	100	–	–	100	<b>Cham Tao Soon</b>	–	–	–	–
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# CORPORATE GOVERNANCE REPORT

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<p>Provision 8.1 of the Code: Remuneration of Directors and key management personnel  (cont'd)</p>	<p>A breakdown showing the band and mix of remuneration of each top five (5) key management personnel's (who are not Directors or CEO of the Company) for FY2023 is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Remuneration band and name of key management personnel</th> <th style="width: 15%;">Fixed salary (%)</th> <th style="width: 15%;">Variable or performance related bonus (%)</th> <th style="width: 10%;">Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>S\$250,000 to S\$499,999</b></td> </tr> <tr> <td colspan="4"><b>Below S\$250,000</b></td> </tr> <tr> <td>Chua Geok Cheok, Molly</td> <td style="text-align: center;">85.98</td> <td style="text-align: center;">14.02</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Ang Lay Hoon</td> <td style="text-align: center;">88.51</td> <td style="text-align: center;">11.49</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Yaw Thiam Teng</td> <td style="text-align: center;">90.31</td> <td style="text-align: center;">9.69</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Tiong Yui Khing, Alex</td> <td style="text-align: center;">96.26</td> <td style="text-align: center;">3.74</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Ho Wei Jie, Jonathan</td> <td style="text-align: center;">90.2</td> <td style="text-align: center;">9.8</td> <td style="text-align: center;">100</td> </tr> </tbody> </table> <p>The total remuneration paid to the top five key management personnel (who are not Directors or the CEO of the Company) for FY2023 was S\$620,079.00.</p>	Remuneration band and name of key management personnel	Fixed salary (%)	Variable or performance related bonus (%)	Total (%)	<b>S\$250,000 to S\$499,999</b>				<b>Below S\$250,000</b>				Chua Geok Cheok, Molly	85.98	14.02	100	Ang Lay Hoon	88.51	11.49	100	Yaw Thiam Teng	90.31	9.69	100	Tiong Yui Khing, Alex	96.26	3.74	100	Ho Wei Jie, Jonathan	90.2	9.8	100
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<p>Provision 8.2 of the Code: Remuneration disclosure of related employees</p>	<p><b>REMUNERATION OF EMPLOYEE WHO IS AN IMMEDIATE FAMILY OF DIRECTOR(S)</b></p> <p>Except as disclosed in the table below, there is no employee of the Group who is an immediate family member of a Director and whose remuneration exceeded S\$100,000 during the financial year ended 31 March 2023:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Remuneration Band</th> <th style="width: 40%;">Relationship</th> </tr> </thead> <tbody> <tr> <td>Below S\$250,000</td> <td></td> </tr> <tr> <td>Ang Lay Hoon, sister of Ang Bee Yan, Katherine</td> <td>Executive Director and Substantial Shareholder of the Company</td> </tr> <tr> <td>Ho Wei Jie, Jonathan, nephew of Ang Bee Yan, Katherine</td> <td>Executive Director and Substantial Shareholder of the Company</td> </tr> </tbody> </table>	Remuneration Band	Relationship	Below S\$250,000		Ang Lay Hoon, sister of Ang Bee Yan, Katherine	Executive Director and Substantial Shareholder of the Company	Ho Wei Jie, Jonathan, nephew of Ang Bee Yan, Katherine	Executive Director and Substantial Shareholder of the Company																								
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Ho Wei Jie, Jonathan, nephew of Ang Bee Yan, Katherine	Executive Director and Substantial Shareholder of the Company																																
<p>Provision 8.3 of the Code: Details of share scheme</p>	<p><b>POWERMATIC DATA SYSTEMS EMPLOYEES' SHARE OPTION SCHEME 2013</b></p> <p>The Company has adopted the Powermatic Data Systems Employees' Share Option Scheme 2013 (the "2013 Scheme"), which was approved by the shareholders at the Extraordinary General Meeting held on 25 July 2013.</p> <p>The 2013 Scheme is a share incentive scheme designed to acknowledge the contributions made by the employees and to give recognition to such employees by giving them the opportunity to have a personal stake in the Company and to attract, motivate and retain talented staff for the Company's domestic and international operations.</p> <p>Under the rules of the 2013 Scheme, all directors and full-time employees of the group are eligible to participate in the Scheme except for employee or director who is also a controlling shareholder or an associate of a controlling shareholder. Employees of the Company's associated companies are not eligible under the 2013 Scheme. The Company has no associated companies for FY2023.</p>																																

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
Provision 8.3 of the Code: Details of share scheme  (cont'd)	<p>As at 31 March 2023, the 2013 Scheme is administered by the RC comprising of Mr Tan Chao Hsiung, David (Chairman) and two other independent directors of the Company, Dr Lye Kin Mun and Mr Cheng Heng Tan.</p> <p>The 2013 Scheme will expire on 30 June 2023.</p> <p>Information on 2013 Scheme is set out in the Statement by Directors on page 39.</p>
<b>ACCOUNTABILITY AND AUDIT</b>	
<b>RISK MANAGEMENT AND INTERNAL CONTROLS</b>	<b>Principle 9: The Board is responsible for the governance of risk and ensure that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.</b>
Provision 9.1 of the Code: Board determines the nature and extent if the significant risks	<p>The Management has put in place an internal control and risk management system to safeguard shareholders' investment and company's assets. The ARMC is tasked to oversee and review the adequacy and effectiveness of the Company's risk management function.</p> <p>The system of internal control provides reasonable, but not absolute assurance that the Group will not be adversely affected by any event that could be reasonably foreseen in the light of current business environment and its inherent risks.</p> <p>The Group, with the help of Internal Auditors, has prepared a documentation on its risk profile which summarizes the material risks faced by the Group and the countermeasures in place to manage or mitigate those risks for the review by the ARMC and the Board. The documentation provides an overview of the Group's key risks, how they are managed, and the various assurance mechanisms in place. It allows the Group to address the on-going changes and the challenges in the business environment, reduces uncertainties and facilitates the shareholder value creation process.</p> <p>On an annual basis, the internal auditors prepare the internal audit plan approved by the ARMC. The audit plan takes into consideration the risks identified in the risk profile document and the audits are conducted to assess the adequacy and the effectiveness of the Group's risk management and the internal control systems put in place, including financial, operational, compliance and information technology controls. Any material non-compliance or lapses in internal controls, together with recommendation for improvement are reported to the ARMC. The ARMC reviews these reports and ensures that appropriate and timely counter-measures are taken by Management as part of its continuous improvement efforts to further enhance its internal control systems and practices. A copy of the report is also issued to the relevant subsidiaries for their follow-up action. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored. In addition, the external auditors would highlight control weaknesses on financial reporting that came to their attention during the course of the statutory audit.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<p>Provision 9.1 of the Code: Board determines the nature and extent of the significant risks</p> <p>(cont'd)</p>	<p>The Company is committed to managing all risks in a proactive and effective manner. This requires high quality risk analysis to inform management decisions taken at all levels within the Group. Risk analysis and management is undertaken within the Group as a source of sustainable business benefits and competitive advantage. Managing threats and maximising opportunities will ensure that business objectives are met in the most effective way possible, leading to increased value for the business and its stakeholders.</p> <p>The Company has internal processes to determine the level of risk tolerance and ensure the consistency and quality of risk analysis and management. The process includes six elements:</p> <ul style="list-style-type: none"> <li>(a) establishing the context;</li> <li>(b) risk identification;</li> <li>(c) risk prioritisation;</li> <li>(d) risk mitigation;</li> <li>(e) risk reporting; and</li> <li>(f) risk updates.</li> </ul> <p>The purpose of engaging in such a process is to ensure that the goals and objectives of the corporate strategy of the Group are achieved.</p> <p>The Group's Internal Auditor, Nexia TS, carry out internal audit on the system of internal controls and report the findings to the ARMC. The Group's External Auditor, RSM Chio Lim LLP, have also carried out, in the course of their statutory audit, an understanding of the key internal accounting controls assessed to be relevant to the statutory audit. In this respect, the ARMC has reviewed the findings of both the Internal and External Auditor and will ensure that the Company follows up on the Auditors' recommendations raised during the audit process.</p> <p>The accounts for the year were audited by RSM Chio Lim LLP and the ARMC has recommended to the Board that RSM Chio Lim LLP be nominated for re-appointment as Auditor at the forthcoming AGM.</p> <p>The Board conducted a review and assessment of the adequacy and effectiveness of the Company's risk management and internal control systems including financial, operational, compliance and information technology controls. The assessment was made by discussions with the management of the Company.</p>
<p>Provision 9.2 of the Code: Assurance from CEO, FM and other key management personnel</p>	<p>The Company does not have a Chief Financial Officer. The Board also received assurance from the Executive Director and CEO and the Group's Finance Manager ("FM") that:</p> <ul style="list-style-type: none"> <li>(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and</li> <li>(b) the Company's risk management and internal control systems are adequate and effective.</li> </ul>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<p>Provision 9.2 of the Code: Assurance from CEO, FM and other key management personnel</p> <p>(cont'd)</p>	<p>Based on the internal controls established and maintained by the Group, regular audits, monitoring and reviews performed by the internal and External Auditor, review of the risk assessment reports, assurance from the Executive Director and CEO and the Group's FM reviews performed by the management, the Board, with the concurrence of the ARMC, is of the opinion that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place are adequate and effective in addressing the financial, operational, compliance and information technology risks as at 31 March 2023 which the Group considers relevant and material to its current business scope and environment.</p> <p>The Board and the ARMC noted that all internal controls contain inherent limitations and no systems of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities. The Board will continue its risk assessment process, which is an on-going process, with a view to improve the Company's internal controls system.</p>
<p><b>AUDIT AND RISK MANAGEMENT COMMITTEE</b></p>	<p><b>Principle 10: The Board has an Audit and Risk Management Committee which discharges its duties objectively.</b></p>
<p>Provision 10.1 and 10.2 of the Code: Duties and composition of the ARMC</p>	<p>As at 31 March 2023, the Audit and Risk Management Committee ("ARMC") comprises Mr Tan Chao Hsiung, David, Dr Lye Kin Mun and Mr Cheng Heng Tan, all of whom are non-executive and independent Directors. The Chairman of the ARMC is Mr Tan Chao Hsiung, David.</p> <p>The Board is of the view that the members of the ARMC have sufficient financial management expertise and experience and are qualified to discharge the ARMC functions.</p> <p>The key Terms of Reference of the ARMC are as follows:</p> <ul style="list-style-type: none"> <li>(a) review the financial statements and the independent auditor's report on those financial statements before submission to the Board for approval, focusing in particular, on significant financial reporting issues and judgements, changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;</li> <li>(b) review assurance from the Executive Director and CEO and the Group's FM on the financial records and financial statement and assurance from Executive Director and CEO and other key management personnel who are responsible on the adequacy and effective of the risk management and internal control systems;</li> <li>(c) review the adequacy and effective of the Company's risk management and internal control in relation to financial reporting other financial-related risk and controls and report to the Board;</li> <li>(d) review with the Internal Auditor the internal audit plan and their evaluation of the adequacy and effectiveness of the internal controls and accounting system before submission of the results of such review to the Board;</li> </ul>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<p>Provision 10.1 and 10.2 of the Code: Duties and composition of the ARMC</p> <p>(cont'd)</p>	<ul style="list-style-type: none"> <li>(e) review with the External Auditor the audit plan, their evaluation of the Company's internal accounting controls that are relevant to their statutory audit and their audit report; Report to the Board at least annually on the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls and risk management policies;</li> <li>(f) ensure co-ordination between the External Auditor and Internal Auditor and the management, reviewing the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the audits, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);</li> <li>(g) review and discuss with external and Internal Auditor (if any), any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our operating results or financial position, and management's response;</li> <li>(h) make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the External Auditor;</li> <li>(i) review any interested person transactions falling within the scope of Chapter 9 of the Listing Manual of SGX-ST;</li> <li>(j) review and ensure proper disclosure and reporting in the annual report on related party transactions as required by the accounting standards;</li> <li>(k) oversee the establishment and operation of the whistleblowing processing in the Company;</li> <li>(l) review any potential conflicts of interest;</li> <li>(m) undertake such other functions and duties as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of our ARMC;</li> <li>(n) monitor and assess the role and effectiveness of the Company's risk management function, including the plans, activities, staffing, budget, resources, and organisational structure;</li> <li>(o) confirm the adequacy of resources directly involved in establishing and maintaining the risk management framework across the Company;</li> <li>(p) review risk management, capabilities across the Company including risk identification, risk systems, risk management training, risk communication channels, crisis readiness and recovery capabilities;</li> <li>(q) monitor the independence of risk management functions (including the CRO) throughout the Company;</li> <li>(r) review and recommend to the Board the Company's risk strategy, risk appetite, levels of risk parameters and risk policies to be reflected in the risk appetite statement that has been approved by the Board within the risk framework;</li> <li>(s) review and monitor the Company's risk profile/risk dashboard on a regular basis to understand all significant risks facing the Company and how they are being mitigated;</li> <li>(t) review and monitor management's responsiveness to the risk mitigating action;</li> <li>(u) oversee the risk process and advise the Board on the current and future risk exposures, and risks related to the strategy of the Company;</li> </ul>



# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<p>Provision 10.1 and 10.2 of the Code: Duties and composition of the ARMC</p> <p>(cont'd)</p>	<ul style="list-style-type: none"> <li>(v) advise the Board on proposed strategic transactions and new risk-focused products, focusing, in particular, on the risk aspects and implications of the proposed action for the risk tolerance and appetite of the Company, and taking independent external advice where appropriate and available;</li> <li>(w) review reports on any material breaches of risk limits and the adequacy of the proposed action, reporting on the results of the full Board;</li> <li>(a) at least annually, review the adequacy and effectiveness of the risk management and internal control systems (including financial, operational, compliance and information technology controls), and states whether the ARMC concurs with the Board's comment on adequacy and effectiveness of the Company's internal controls and risk management systems; and</li> <li>(b) generally undertake such other functions and duties as may be required by the Board under the Code, statute or SGX Listing Rules (Mainboard) and the Act.</li> </ul> <p>The ARMC also has the power to conduct or authorise to investigate any matter within its terms of reference, and has full access to, and cooperation of, the management. The ARMC has full discretion to invite any Director or management staff to attend its meetings, as well as access to reasonable resources to enable it to discharge its function properly. In performing its functions, the ARMC also reviews the assistance given by the Company's officers to the independent auditor.</p> <p>The ARMC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Company's operating results and/or financial position. In the event that a member of the ARMC is interested in any matter being considered by the ARMC, he will abstain from reviewing that particular transaction or voting on that particular transaction.</p> <p>The role of the ARMC is to assist the Board in the execution of its corporate governance responsibilities within the established Board references and requirements. The ARMC also reviews the adequacy and effectiveness of the Company's internal controls and effectiveness of the Company's internal audit function as set out in the guidelines stated in the Code. The services of the Internal Auditor are utilised to assist the ARMC in the discharge of its duties and responsibilities.</p> <p>The ARMC will review, at least annually, the Group's key financial risk areas (including but not limited to, the Group's cash management policies and cash position, collection of debts, hedging policies and foreign currency transactions (if any) and off-balance sheet items (if any) with a view to providing an independent oversight on the Group's financial reporting. Where the findings are material, the outcome of these reviews will immediately be announced via SGXNet and disclosed in the annual report of the Group.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report												
<p>Provision 10.1 and 10.2 of the Code: Duties and composition of the ARMC</p> <p>(cont'd)</p>	<p>The ARMC has reviewed the audit and non-audit services provided by the external auditors, Messrs RSM Chio Lim LLP. The audit service fee incurred during the reporting year is as follows:</p> <table border="1" data-bbox="431 466 1458 672"> <thead> <tr> <th></th> <th style="text-align: center;"><b>2023 \$'000</b></th> <th style="text-align: center;"><b>2022 \$'000</b></th> </tr> </thead> <tbody> <tr> <td>- Auditors of the company</td> <td style="text-align: center;">105</td> <td style="text-align: center;">98</td> </tr> <tr> <td>- Other auditors<sup>#</sup></td> <td style="text-align: center;">31</td> <td style="text-align: center;">34</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>136</b></td> <td style="text-align: center;"><b>132</b></td> </tr> </tbody> </table> <p><sup>#</sup> Includes an alliance firm of RSM Chio Lim LLP</p> <p>There were no non-audit services provided by the external auditors during FY2023.</p> <p>The Internal Auditor had performed their review on the Sustainability Report for FY2023.</p> <p>The ARMC, having considered the nature of services rendered and related charges by the External Auditor, is satisfied that the independence of the External Auditor is not impaired.</p> <p>The Company has complied with Rules 712 and 716 of the Listing Manual of SGX-ST in relation to its independent auditors.</p>		<b>2023 \$'000</b>	<b>2022 \$'000</b>	- Auditors of the company	105	98	- Other auditors <sup>#</sup>	31	34	<b>Total</b>	<b>136</b>	<b>132</b>
	<b>2023 \$'000</b>	<b>2022 \$'000</b>											
- Auditors of the company	105	98											
- Other auditors <sup>#</sup>	31	34											
<b>Total</b>	<b>136</b>	<b>132</b>											
<p>Provision 10.3 of the Code: ARMC does not comprise former partner or Directors of the Company's auditing firm</p>	<p>None of the members of the ARMC was a former partner or Director of RSM Chio Lim LLP, the Company's existing auditing firm or auditing corporation within a period of two years commencing on the date of their ceasing to be a partner or Director of the auditing firm or auditing corporation and none of the ARMC members have any financial interest in the auditing firm or auditing corporation.</p>												
<p>Provision 10.4 of the Code: Primary reporting line of the IA function is to ARMC; IA function has unfettered access to Company's documents, record, properties and personnel</p>	<p>The Group outsources its internal audit function to, Nexia TS, an international auditing firm, to review key business processes of the Company and its key subsidiaries. The primary reporting line of the Internal Auditor function is to ARMC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the ARMC, and has appropriate standing within the company. The ARMC approves the hiring, removal, evaluation and compensation of the Internal Auditor.</p> <p>Nexia TS is staffed with personnel with relevant qualifications and experience and takes reference from the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors when performing their reviews. The ARMC is satisfied that the internal auditors have adequate resources to perform its functions and have appropriate standing within the Group</p> <p>The internal audit function is to review key business processes of the Company and its material subsidiaries with the primary objective of identifying significant control issues that the ARMC and the Management should focus their attention on. Works performed by the Internal Auditor include cash and bank management, procurement and payable, inventory and warehouse management, human resource and payroll, IT general controls, cybersecurity audit and Enterprise Risk Management review.</p> <p>The ARMC is of the view that the internal audit function is effective as it enables the Company to identify and address the risks relating to financial, operational, compliance and information technologies controls.</p> <p>The ARMC confirms that none of the ARMC members has any interest in Nexia TS and that the internal auditor has unfettered access to all the company's documents, records, properties, personnel including the ARMC. In the ARMC's view, the internal audit function is independent, effective and adequately resourced.</p>												

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<p>Provision 10.5 of the Code: ARMC to meet auditors without the presence of management annually</p>	<p>The ARMC meets with the Group’s Internal Auditor and External Auditor without the presence of the management at least once a year. Such meeting enables the Internal Auditor and External Auditor to raise any issue encountered in the course of their work directly to the ARMC. For FY2023, the ARMC met once with the Internal Auditor and External Auditor, each without presence of the management.</p>
	<p><b>WHISTLE-BLOWING POLICY</b></p> <p>The Company has in place a whistle-blowing policy where staff of the Company and any other persons can have access to the ARMC Chairman and members. All concerns about possible improprieties in financial reporting and other matters would be channelled to the ARMC Chairman and members.</p> <p>The Company’s Whistleblowing Policy aims to: (a) provide a trusted avenue for employees, vendors, customers and other stakeholders to report serious wrongdoings or issues, particularly to fraud, governance or ethics, without fear; and (b) ensure that robust arrangements are in place to facilitate independent investigation of the reported issues with appropriate follow up actions. The Company will treat all information received confidentially and protect the identity of all whistle-blowers. It is also committed to ensuring that whistle-blowers will be treated fairly and protected against detrimental or unfair treatment for whistle-blowing in good faith.</p> <p>All whistle-blowing complaints are independently investigated and appropriate actions taken. The ARMC, which is responsible for oversight and monitoring of whistle-blowing, reviews and ensures that independent investigations and any appropriate follow-up actions are carried out, taking into account factors such as the seriousness of the issues, the credibility of the concern and the likelihood of confirming the allegation from attributable sources. The ARMC will follow a set of guidelines to ensure proper conduct of investigations and appropriate closure actions following completion of the investigations, including administrative, disciplinary, civil and/or criminal actions and remediation of control weaknesses that may arise to fraud or misconduct. In addition, the ARMC reviews the Whistleblowing Policy regularly to ensure that it remains current.</p> <p>A whistle-blower email address is created for reporting suspected fraud, corruption, dishonest practices or other similar matters. Details of the whistle-blowing policy and arrangements have been made available to all employees of the Company and is published on the Company’s corporate website.</p> <p>The ARMC shall commission and review the findings of internal investigations in matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group’s operating results and/or financial position.</p> <p>The Company had, in FY2022, received a whistle-blowing report (spread over a series of communications) from the same individual via the process above. The whistle-blowing report has received close attention and is being investigated by members of the ARMC (including the ARMC Chairman) who were not directors of the Company at the time the relevant events (as described below) took place, with assistance from external legal counsel.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
	<p>The whistle-blowing report contained allegations against the Company in connection with events that occurred in 2007/2008 and which involved a former subsidiary of the Company in China which was voluntarily wound up in 2010. These events, along with the allegations contained therein appear to emanate from a series of disputes involving business transactions conducted prior to 2007 between the whistle-blower, an unrelated company and a former non-executive independent director of the Company, who has left the Company in 2008. Based on ARMC's investigations and internal inquiries to-date, neither the Company nor any of its subsidiaries has any prior knowledge of or involvement in the abovementioned dispute(s) and business transactions. In its inquiry, the ARMC had also reached out to the whistle-blower requesting specific information and to seek clarification on the allegations. To-date, the whistle-blower has not responded to these requests.</p> <p>Based on the ARMC's findings, the ARMC has concluded that there is nothing which substantiates the allegations contained in the whistle-blowing report and as such the allegations have no merit.</p> <p>The ARMC is of the view that the whistle-blowing report does not have any impact on the Group's financial statements for the current financial year and does not impact the Group's financial statements of any preceding financial years.</p> <p>For the reasons set out above, the ARMC will no longer pursue the matter in the absence of any new credible information.</p> <p>There was no whistleblowing complaint received during FY2023.</p>
<b>SHAREHOLDER RIGHTS AND ENGAGEMENT</b>	
<b>SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS</b>	<p><b>Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.</b></p>
<p>Provision 11.1 of the Code: The Company provides shareholders with the opportunity to participate effectively and vote at general meetings</p>	<p>In presenting the annual financial statements and announcements of financial results to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. The financial results for the half year and full year are released to shareholders via SGXNet within 45 and 60 days of the half year-end date and full year-end date respectively.</p> <p>Notices of general meetings are dispatched to shareholders, together with the annual report and/or circulars within the time notice period as prescribed by the regulations. At general meetings, shareholders will be given opportunities to voice their views and direct their questions to the Board regarding the Company.</p> <p>The timely release of financial information and general meeting notice and circulars enables shareholders to prepare and participate effectively and vote at general meetings.</p> <p>Shareholders will also be briefed during the general meetings on voting procedures of the general meetings.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
Provision 11.2 of the Code: Separate resolutions on each substantially separate issue	The Board notes that there should be separate resolutions at general meetings on each substantially separate issue and agrees to the Code's recommendation that companies avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. In situations where resolutions are inter-conditional, the Company will provide clear explanations.
Provision 11.3 of the Code: All Directors attend general meetings of shareholders	All Directors, including the Executive Chairman and CEO of the Board, and various Board Committees, attend the general meetings to address shareholders' queries and receive feedback from shareholders. The External Auditor, RSM Chio Lim LLP, is also invited to attend AGMs and will assist in addressing queries from shareholders relating to the conduct of the audit and the preparation and content of the auditor's report.
Provision 11.4 of the Code: Company's Constitution allow for absentia voting of shareholders	The Company's Constitution allows a member entitled to attend and vote to appoint not more than 2 proxies to attend and vote instead of the member and also provides that the proxy need not be a member of the Company. Voting in absentia by mail, email or fax is currently not permitted to ensure proper authentication of the identity of the shareholders and their voting intentions.
Provision 11.5 of the Code: Minutes of general meetings are published on Company's corporate website as soon as practicable	<p>Minutes of general meetings which include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting and responses from the Board and the management were taken. Minutes of general meetings would be available to shareholders upon their written request.</p> <p>Voting at the general meeting will be by way of poll pursuant to Rule 730A(2) of the Listing Manual of SGX-ST. Announcement on the poll results (showing the number of votes cast for and against each resolution and the respective percentages) will be released after the meeting via SGXNet.</p>
Provision 11.6 of the Code: Dividend policy	<p>The Company does not have a formal dividend policy. The form, frequency and amount of future dividend of the Company's shares will depend on the earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate.</p> <p>Any dividend payments are clearly communicated to shareholders via announcements on SGXNet.</p> <p>For FY2023, the Company declared a final tax exempt one-tier dividend of 5.0 Singapore cents per ordinary share and a special tax exempt one-tier dividend of 5.0 Singapore cents per ordinary share and will table them for shareholders' approvals at the Thirty-Fourth Annual General Meeting.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<b>ENGAGEMENT WITH SHAREHOLDERS</b>	<b>Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meeting and other dialogues to allow shareholders to communicate their views on various matters affecting the company.</b>
<p>Provision 12.1 of the Code: Company provides avenues for communication between the Board and shareholders and disclose in its annual report to steps taken to solicit and understand the views of shareholders</p> <p>Provision 13.3 of the Code: Corporate website to engage stakeholders</p>	<p>The Board is mindful of the obligation to provide shareholders with information on all major developments that affect the Group in accordance with the Listing Manual of SGX-ST and the Act. Information is communicated to shareholders on a timely basis through:</p> <ul style="list-style-type: none"> <li>(a) Announcements and press releases via SGXNet;</li> <li>(b) Company’s website; and</li> <li>(c) Annual reports.</li> </ul> <p>The Company recognises that open communication is essential for communicating with shareholders and other audiences in the finance and investment community.</p>
<p>Provision 12.2 and 12.3 of the Code: Board to maintain regular dialogue with shareholders; Board to disclose the steps taken to solicit and understand shareholders’ views</p>	<p>Any major or material developments are first disseminated via SGXNET followed by a press release, whenever necessary.</p> <p>Price sensitive information is first publicly released, either before the Group meets with any group of investors or analysts or simultaneously with such meetings. Results and annual reports are announced or issued within the mandatory period.</p> <p>The Company provided opportunities for communication with the shareholders, investors and other stakeholders during FY2023 as follows:</p> <ul style="list-style-type: none"> <li>(a) Annual General Meeting; and</li> <li>(b) Update on corporate developments via SGXNet</li> </ul>
<p>Conduct of AGM in 2022 amidst current COVID-19 pandemic</p>	<p>In view of the COVID-19 pandemic, the Company has issued its Annual Report 2022 and released the Notice of 2022 AGM on 4 July 2022 to notify shareholders that the 2021 AGM will be held via electronic means complying with the requirement of COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (“the Order”).</p> <p>The Company had held the 2022 AGM by electronic means on 25 July 2022 pursuant to the Order. Shareholders were invited to participate in the virtual 2022 AGM by (a) observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the 2022 AGM; and (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the 2022 AGM. The Chairman and CEO were present in person at the virtual 2022 AGM proceedings, while the rest of the Directors joined the 2022 AGM by way of video conference. The Company has disclosed, on the Company’s website and SGXNet, the minutes of 2022 AGM including responses to questions raised by shareholders in advance of the 2022 AGM.</p>
<b>ENGAGEMENT WITH STAKEHOLDERS</b>	<b>Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.</b>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
Provision 13.1 and 13.2 of Code: Engagement with material stakeholder groups	<p>The Company provides contact details on its website as the Company recognises the importance of stakeholder engagement to the long-term sustainability of its business. During FY2023, the Company did not receive any telephone enquiries from shareholders and investors.</p> <p>The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.</p> <p>The Group has undertaken a process to determine the environmental, social and governance (“ESG”) issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually. The Company’s Sustainability Report will be made available on our corporate website on or before July 2023.</p>
	<p><b>DEALINGS IN SECURITIES</b></p> <p>In line with Rule 1207(19) of the Listing Manual of SGX-ST on Dealing in Securities, the Company has adopted its own Internal Code of Conduct and issues circulars to its Directors and employees, to remind them that (1) they should not deal in shares of the Company on short-term considerations or if they are in possession of unpublished material price-sensitive information; and (2) they are required to report on their dealings in the shares of the Company. The Directors and employees are also reminded of the prohibition in dealing in shares of the Company one month before the release of the half-yearly and year-end financial results and ending on the date of the announcement of the relevant results. The Company has complied with the said Rule 1207(19) of the Listing Manual of SGX-ST during FY2023.</p>
	<p><b>INTERESTED PERSON TRANSACTIONS</b></p> <p>The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the ARMC and that the transactions are at arm’s length basis. All interested person transactions are subject to review by the ARMC to ensure compliance with the established procedures.</p> <p>No interested person transactions mandate has been obtained from shareholders and there were no reportable interested person transactions during FY2023.</p>
	<p><b>MATERIAL CONTRACTS</b></p> <p>Pursuant to Rule 1207(8) of the Listing Manual of SGX-ST, except as disclosed in Interested Person Transactions, there was no material contract or loan entered into between the Company and any of its subsidiaries involving interests of any Director or controlling shareholder during FY2023.</p>

# 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 31 March 2023.

## 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 this 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:

Dr Chen Mun  
Ang Bee Yan, Katherine  
Cham Tao Soon (Appointed on 19 May 2023)  
Cheng Heng Tan  
Dr Lye Kin Mun  
Tan Chao Hsiung, David

## 3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the reporting year had no interest in shares in or debentures of the company or other related body corporate 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:

Name of directors and companies in which interests are held	Direct interests	
	At beginning of the reporting year	At end of the reporting year
<b>The company – Powermatic Data Systems Limited</b>	<b>Number of shares of no par value</b>	
Dr Chen Mun	19,427,932	19,427,932
Ang Bee Yan, Katherine	2,874,800	2,874,800
Tan Chao Hsiung, David	40,000	40,000



# STATEMENT BY DIRECTORS

## 3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

By virtue of section 7 of the Act, Dr. Chen Mun is deemed to have an interest in all related body corporates of the company.

The directors' interests as at 21 April 2023 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 directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate except as mentioned below.

## 5. OPTIONS

The "Powermatic Data Systems Employees' Share Option Scheme 2013" (the "2013 Scheme") was approved by shareholders of the company at an Extraordinary General Meeting held on 25 July 2013. The 2013 Scheme is a share incentive scheme designed to acknowledge the contributions made by the directors and employees and to give recognition to such directors and employees by giving them the opportunity to have a personal stake in the company and to attract, motivate and retain talented staff for the company's domestic and international operations.

Under the rules of the 2013 Scheme, all directors and full-time employees of the group are eligible to participate in the scheme except for employee or director who is also a controlling shareholder or an associate of a controlling shareholder. Employees of the company's associated companies are not eligible under the 2013 Scheme. The company has no associated companies at 31 March 2023.

The aggregate number of shares over which options may be granted shall not exceed 15% of the issued share capital of the company on the day immediately preceding the offer date of the option.

The offer price shall be equal to the average of the last dealt price for a share for the three consecutive trading days immediately preceding the offer date.

The 2013 Scheme is administered by the Remuneration Committee and there was no options granted during the reporting year and there was no unexercised option as at 31 March 2023.

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

There were no unissued shares of the company or its related body corporate under shares awards granted by the company or its related body corporate as at 31 March 2022 and 31 March 2023.

# STATEMENT BY DIRECTORS

## 6. INDEPENDENT AUDITOR

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

## 7. REPORT OF AUDIT AND RISK MANAGEMENT COMMITTEE

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

Tan Chao Hsiung, David	(Chairman of audit and risk management committee, independent and non-executive director)
Cheng Heng Tan	(Independent and non-executive director)
Dr Lye Kin Mun	(Independent and non-executive director)
Dr Cham Tao Soon	(Independent and non-executive director)

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

- Reviewed with the independent external auditor their audit plan,
- Reviewed with the independent external auditor their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them,
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor,
- Reviewed the financial statements of the group and of the company prior to their submission to the directors of the company for adoption, and
- 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 and risk management 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 provides non-audit services.

The audit and risk management committee has recommended to the board of directors that RSM Chio Lim LLP be nominated for re-appointment as the independent external auditor at the next annual general meeting of the company.

# STATEMENT BY DIRECTORS

## 8. DIRECTORS' OPINION ON THE ADEQUACY OF INTERNAL CONTROL

Based on the internal controls and risk management systems established and maintained by the company, periodic reviews performed by management, other committees of the board and the board, and work performed by the independent internal and external auditors, the board with concurrence of the audit committee, is of the opinion that the company's internal control and risk management systems were adequate as at 31 March 2023 to address the risks relating to financial, operational, compliance and information technology controls.

## 9. SUBSEQUENT DEVELOPMENTS

There are no significant developments subsequent to the release of the group's and company's preliminary financial statements, as announced on 25 May 2023, which would materially affect the group's and company's operating and financial performance as of the date of this report.

On behalf of the directors

.....  
Dr Chen Mun  
Director

.....  
Ang Bee Yan, Katherine  
Director

28 June 2023

# INDEPENDENT AUDITOR'S REPORT

to the Members of POWERMATIC DATA SYSTEMS LIMITED

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying financial statements of Powermatic Data Systems 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 31 March 2023, 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 the accounting policies.

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 31 March 2023 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.

We have assessed and determined that there are no key audit matters to communicate in our report.

### 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.

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.

# INDEPENDENT AUDITOR'S REPORT

to the Members of POWERMATIC DATA SYSTEMS LIMITED

## 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.
- (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.

# INDEPENDENT AUDITOR'S REPORT

to the Members of POWERMATIC DATA SYSTEMS LIMITED

## **Auditor's responsibilities for the audit of the financial statements (cont'd)**

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 Pang Hui Ting.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

28 June 2023

Engagement partner - effective from reporting year ended 31 March 2022

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 31 March 2023

	Notes	2023 \$'000	2022 \$'000
<b>Revenue</b>	5	30,916	27,922
Cost of sales		(15,520)	(14,594)
<b>Gross profit</b>		15,396	13,328
Property income	6	1,197	1,208
Property expenses	7	(847)	(689)
Net income from property		350	519
Other income and gains	8	868	544
Distribution cost		(1,756)	(1,714)
Administrative expenses		(2,673)	(2,913)
Other operating expenses		(10)	(3)
Other losses	8	(574)	(12)
Finance cost	9	(5)	(3)
<b>Profit before tax from continuing operations</b>		11,596	9,746
Income tax expense	11	(2,108)	(1,575)
<b>Profit from continuing operations for the year</b>		9,488	8,171
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Fair value changes on equity instruments at FVTOCI, net of tax	19	(32)	321
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax		(635)	167
<b>Other comprehensive income of the year net of tax:</b>		(667)	488
<b>Total comprehensive income for the year</b>		8,821	8,659
Profit attributable to owners of the parent, net of tax		9,488	8,171
Total comprehensive income attributable to owners of the parent		8,821	8,659
<b>Earnings per share</b>			
Earnings per share currency unit		Cents	Cents
Basic and diluted	12	27.14	23.38

The accompanying notes form an integral part of these financial statements

# STATEMENTS OF FINANCIAL POSITION

As at 31 March 2023

	Notes	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	14	4,770	4,864	1,791	1,796
Right-of-use assets	15	411	149	–	–
Investment property	16	16,317	16,542	16,317	16,542
Intangible assets	17	1	3	–	–
Investment in subsidiaries	18	–	–	10,759	10,680
Other financial assets	19	523	560	523	560
Other non-financial assets	20	–	7	–	7
Deferred tax assets	11	128	134	–	–
<b>Total non-current assets</b>		<b>22,150</b>	<b>22,259</b>	<b>29,390</b>	<b>29,585</b>
<b>Current assets</b>					
Inventories	21	6,043	7,500	–	–
Trade and other receivables	22	1,684	986	8,155	13,870
Other financial assets	23	117	148	117	148
Other non-financial assets	24	270	220	78	49
Cash and cash equivalents	25	55,037	47,651	27,735	19,968
<b>Total current assets</b>		<b>63,151</b>	<b>56,505</b>	<b>36,085</b>	<b>34,035</b>
<b>Total assets</b>		<b>85,301</b>	<b>78,764</b>	<b>65,475</b>	<b>63,620</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	26	24,562	24,562	24,562	24,562
Retained earnings		50,004	44,011	39,655	37,902
Other reserves	27	(814)	(147)	551	583
<b>Total equity</b>		<b>73,752</b>	<b>68,426</b>	<b>64,768</b>	<b>63,047</b>
<b>Non-current liabilities</b>					
Lease liabilities	15	181	–	–	–
<b>Total non-current liabilities</b>		<b>181</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Current liabilities</b>					
Income tax payable		2,367	1,813	30	22
Trade and other payables	28	4,070	3,456	315	265
Lease liabilities	15	239	146	–	–
Other non-financial liabilities	29	4,692	4,923	362	286
<b>Total current liabilities</b>		<b>11,368</b>	<b>10,338</b>	<b>707</b>	<b>573</b>
<b>Total liabilities</b>		<b>11,549</b>	<b>10,338</b>	<b>707</b>	<b>573</b>
<b>Total equity and liabilities</b>		<b>85,301</b>	<b>78,764</b>	<b>65,475</b>	<b>63,620</b>

The accompanying notes form an integral part of these financial statements



# STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 March 2023

Group	Total equity \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000
<b>Current year</b>					
Opening balance at 1 April 2022	68,426	25,352	(790)	44,011	(147)
<b>Changes in equity:</b>					
Total comprehensive income (loss) for the year	8,821	–	–	9,488	(667)
Dividends paid (Note 13)	(3,495)	–	–	(3,495)	–
Closing balance at 31 March 2023	73,752	25,352	(790)	50,004	(814)
<b>Previous year</b>					
Opening balance at 1 April 2021	63,262	25,352	(790)	36,763	1,937
<b>Changes in equity:</b>					
Total comprehensive income for the year	8,659	–	–	8,171	488
Transfer of fair value reserve of equity instruments at FVTOCI upon disposal (Note 19)	–	–	–	2,572	(2,572)
Dividends paid (Note 13)	(3,495)	–	–	(3,495)	–
Closing balance at 31 March 2022	68,426	25,352	(790)	44,011	(147)

The accompanying notes form an integral part of these financial statements

# STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 March 2023

Company	Total equity \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000
<b>Current year</b>					
Opening balance at 1 April 2022	63,047	25,352	(790)	37,902	583
<b>Changes in equity:</b>					
Total comprehensive income (loss) for the year	5,216	–	–	5,248	(32)
Dividends paid (Note 13)	(3,495)	–	–	(3,495)	–
Closing balance at 31 March 2023	<u>64,768</u>	<u>25,352</u>	<u>(790)</u>	<u>39,655</u>	<u>551</u>
<b>Previous year</b>					
Opening balance at 1 April 2021	56,334	25,352	(790)	28,938	2,834
<b>Changes in equity:</b>					
Total comprehensive income for the year	10,208	–	–	9,887	321
Transfer of fair value reserve of equity instruments at FVTOCI upon disposal (Note 19)	–	–	–	2,572	(2,572)
Dividends paid (Note 13)	(3,495)	–	–	(3,495)	–
Closing balance at 31 March 2022	<u>63,047</u>	<u>25,352</u>	<u>(790)</u>	<u>37,902</u>	<u>583</u>

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 March 2023

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	11,596	9,746
Adjustments for:		
Depreciation of property, plant and equipment	418	436
Depreciation of right-of-use assets	237	192
Depreciation of investment property	225	225
Amortisation of intangible assets	2	5
Fair value loss on financial instruments at FVTPL	31	12
Dividend income	(19)	(75)
Interest income	(771)	(157)
Interest expense	5	3
Other non-financial asset written off	7	–
Unrealised foreign exchange adjustment gains, net	(749)	444
Operating cash flows before changes in working capital	10,982	10,831
Inventories	1,457	(2,646)
Trade and other receivables	(698)	684
Other financial assets	5	57
Other non-financial assets	(50)	–
Trade and other payables	614	(765)
Other non-financial liabilities	(231)	1,237
Net cash flows from operations	12,079	9,398
Income taxes paid	(1,365)	(1,971)
Net cash flows from operating activities	10,714	7,427
<b><u>Cash flows from investing activities</u></b>		
Purchase of property, plant and equipment	(572)	(260)
Disposal of other financial assets	–	2,990
Decrease / (increase) of cash restricted in use over 3 months	17,965	(10,365)
Interest income received	583	147
Proceeds from disposal of property, plant and equipment	112	–
Dividend income received	19	75
Net cash flows from (used in) investing activities	18,107	(7,413)
<b><u>Cash flows from financing activities</u></b>		
Lease liabilities – interest and principal portion paid	(115)	(208)
Dividends paid to equity owners	(3,495)	(3,495)
Net cash flows used in financing activities	(3,610)	(3,703)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>25,211</b>	<b>(3,689)</b>
Effect of exchange rate changes on cash balance held in foreign currencies	140	(91)
Cash and cash equivalents, beginning balance	29,686	33,466
<b>Cash and cash equivalents, ending balance (Note 25)</b>	<b>55,037</b>	<b>29,686</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 1. GENERAL

Powermatic Data Systems Limited (the “company”) is incorporated in Singapore with limited liability. It is listed on the Singapore Exchange Securities Trading Limited. The financial statements are presented in Singapore Dollar and they cover the company and its subsidiaries (the “group”). All financial information in these financial statements are rounded to the nearest thousand (“\$’000”), unless when otherwise indicated.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The company is an investment holding company.

The principal activities of the subsidiaries are disclosed in Note 18 below.

The registered office and principal place of business of the company is located at No 9 Harrison Road, #05-01, Singapore 369651.

### **Statement of compliance with financial reporting standards**

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

### **Accounting convention**

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 preparation of the financial statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity’s accounting policies. The areas requiring management’s most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements are disclosed where applicable.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 1. GENERAL (CONT'D)

### **Basis of presentation and principles of consolidated**

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 and consolidation is ceased when the reporting entity loses control of the investee.

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 and statement of cash flows are not presented.

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

### 2A. Significant accounting policies

#### **Revenue and income recognition**

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. 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, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales 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 or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Services – Revenue from service orders and term projects is recognised when the entity satisfies the performance obligation at a point in time, generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions, revenue is recognised as the services are provided.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Revenue and income recognition (cont'd)

Rental income – Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis.

Interest income is recognised using the effective interest method.

Dividend income from equity instruments is recognised in profit or loss only when the entity's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably. This is usually ex-dividend date for quoted shares.

#### Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate.

#### 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). 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.

Pursuant to relevant regulations of the People's Republic of China ("PRC") government, the subsidiaries in the PRC have participated in a local municipal government retirement benefits scheme (the "Scheme"), whereby the subsidiaries in the PRC are required to contribute to a certain percentage to the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the group. Contributions to the Scheme are recorded as an expense as they fall due.

#### Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the company 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 financial statements are presented in the functional currency.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### 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.

#### 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 combination

There were no business combinations during the reporting year.

#### Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. 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 and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Income tax (cont'd)

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. The annual rates of depreciation are as follows:

Building improvements	–	20%
Furniture, fittings and equipment	–	10% to 33%
Freehold office unit	–	2.63%
Freehold land / factory	–	not depreciated / 2%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

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.

#### Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The annual rate of depreciation is as follows:

Leasehold property	–	3.13%
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# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Investment property

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee as a right-of-use asset under a finance lease) to earn rentals or for capital appreciation or both, rather than for: (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the cost model is used to measure the investment property using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value. For disclosure purposes only the fair values are measured periodically on a systematic basis at least once yearly by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

The annual rates of depreciation are as follows:

Building improvements	–	3.15%
Freehold building	–	2.63%
Freehold land	–	Not depreciated

#### Intangible assets

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 any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Certification fees	–	3 years
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#### Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised right-of-use asset is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. An interest expense is recognised on the lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight-line basis over the remaining lease term.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Leases of lessor

For a lessor a lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Operating leases are for rental income. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

#### Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other 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 recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 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 and first in first out 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.

#### Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Financial instruments (cont'd)

Classification and measurement of financial assets:

Financial assets are classified into (1) Financial asset classified as measured at amortised cost; (2) Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI); (3) Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI); and (4) Financial asset classified as measured at fair value through profit or loss (FVTPL). At the end of the reporting year, the reporting entity had the following financial assets:

- 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.
- Financial asset classified as measured at fair value through profit or loss (FVTPL): All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (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

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### 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 / 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.

In making the fair value measurement for a non-financial asset, management determines the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis.

### 2B. Other explanatory information

#### Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur. Warranty provisions are measured using probability models based on past experience.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2B. Other explanatory information (cont'd)

#### Treasury shares

Where the entity reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

#### Segment reporting

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 in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

### 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.

#### Allowance on inventories:

The allowance for impairment of inventories assessment requires estimation and judgement. The level of the loss allowance is assessed by taking into account the recent sales experience, the ageing of inventories, other factors that affect inventory obsolescence and subsequent events. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting year is disclosed in Note 21.

## 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (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 Dr Chen Mun, a director and controlling shareholder of the company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

### 3A. Key management compensation

	Group	
	2023 \$'000	2022 \$'000
Salaries and other short-term employee benefits	1,425	1,227

The above amount is included under employee benefits expense. Included in the above amount are the following items:

	Group	
	2023 \$'000	2022 \$'000
Remuneration of directors of the company	737	674
Fees to directors of the company	75	75

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

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly.

### 3B. Other receivables from related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from subsidiaries are as follows:

	Subsidiaries	
Company	2023 \$'000	2022 \$'000
<u>Other receivables:</u>		
At beginning of the year	13,792	11,189
Amounts paid in and settlement of liabilities on behalf of the company	(11,379)	(7,608)
Inter-company recharges	231	211
Dividend income	5,200	10,000
At end of the year (Note 22)	7,844	13,792

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

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

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.

For management purposes the reporting entity is organised into three major strategic operating segments: (1) wireless connectivity products, (2) property and (3) corporate holding and others. 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. 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:

- Wireless connectivity products segment comprises manufacturing, sales, marketing and distribution of wireless connectivity products.
- Property segment comprises managing the investment properties.
- Corporate holding and others is involved in group-level corporate services.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results is the gross profit.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

### 4B. Primary analysis by business segment

Group:	Wireless connectivity products \$'000	Property \$'000	Corporate holding and others \$'000	Total \$'000
<b>2023:</b>				
Revenue by segment	30,916	-	-	30,916
Cost of sales	(15,520)	-	-	(15,520)
Gross profit	15,396	-	-	15,396
<u>Other items of income</u>				
Property income	-	1,197	-	1,197
Property expense	-	(847)	-	(847)
Net income from property	-	350	-	350
Other income and gains	344	-	529	873
<u>Other items of expenses</u>				
Marketing and distribution cost	(1,756)	-	-	(1,756)
Administration expenses	(1,905)	-	(768)	(2,673)
Other operating expenses	(10)	-	-	(10)
Other losses	(542)	-	(37)	(579)
Finance cost	(5)	-	-	(5)
Profit / (loss) before tax	11,522	350	(276)	11,596
Income tax expense	(2,078)	-	(30)	(2,108)
Profit / (loss), net of tax	9,444	350	(306)	9,488
<u>Assets and liabilities</u>				
Segment assets	38,231	16,368	30,702	85,301
Segment liabilities	(10,762)	(285)	(502)	(11,549)
<u>Other segment information:</u>				
Capital expenditure	547	-	25	572
Depreciation of property, plant and equipment	(388)	-	(30)	(418)
Depreciation of right-of-use assets	(237)	-	-	(237)
Depreciation of investment property	-	(225)	-	(225)
Amortisation of intangible assets	(2)	-	-	(2)
Impairment on asset-inventories	(1,014)	-	-	(1,014)
Impairment on asset-trade receivables	(53)	-	-	(53)



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

### 4B. Primary analysis by business segment (cont'd)

Group:	Wireless connectivity products \$'000	Property \$'000	Corporate holding and others \$'000	Total \$'000
<b>2022:</b>				
Revenue by segment	27,922	-	-	27,922
Cost of sales	(14,594)	-	-	(14,594)
Gross profit	13,328	-	-	13,328
<u>Other items of income</u>				
Property income	-	1,208	-	1,208
Property expense	-	(689)	-	(689)
Net income from property	-	519	-	519
Other income and gains	366	-	178	544
<u>Other items of expenses</u>				
Marketing and distribution cost	(1,714)	-	-	(1,714)
Administration expenses	(2,145)	-	(768)	(2,913)
Other operating expenses	(3)	-	-	(3)
Other losses	-	-	(12)	(12)
Finance cost	(3)	-	-	(3)
Profit / (loss) before tax	9,829	519	(602)	9,746
Income tax expense	(1,551)	-	(24)	(1,575)
Profit / (loss), net of tax	8,278	519	(626)	8,171
<u>Assets and liabilities</u>				
Segment assets	39,408	16,568	22,788	78,764
Segment liabilities	(9,732)	(231)	(375)	(10,338)
<u>Other segment information:</u>				
Capital expenditure	192	68	-	260
Depreciation of property, plant and equipment	(397)	-	(39)	(436)
Depreciation of right-of-use assets	(192)	-	-	(192)
Depreciation of investment property	-	(225)	-	(225)
Amortisation of intangible assets	(5)	-	-	(5)
Impairment on asset-inventories	(256)	-	-	(256)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

### 4C. Geographical information

The following table provides an analysis of the revenue by geographical location or customers, irrespective of the origin of the goods/services:

	Group	
	2023 \$'000	2022 \$'000
Revenue:		
Singapore	10	32
Europe	14,405	14,165
Asia (except Singapore)	10,422	6,814
United States of America	5,612	5,326
Others (including Israel, Canada and Brazil)	467	1,585
	<u>30,916</u>	<u>27,922</u>

The property income is from an investment property in Singapore.

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, intangible assets and investment property analysed by the geographical area in which the assets are located:

	Group	
	2023 \$'000	2022 \$'000
Segment assets:		
Singapore	74,723	66,253
Asia (except Singapore)	10,577	12,502
United States of America	1	9
	<u>85,301</u>	<u>78,764</u>
Capital expenditure:		
Singapore	197	68
Asia (except Singapore)	375	192
	<u>572</u>	<u>260</u>

### 4D. Information about major customers

Two customers with revenue transactions of \$10,149,000 and \$3,613,000 accounted for 33% and 12% of the total revenue of the group for the reporting year. In 2022, one customer with revenue transaction of \$8,573,000 accounted for 31% total revenue of the group.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 5. REVENUE

Revenue from contracts with customers

A. Revenue classified by type of good or service:

	Group	
	2023 \$'000	2022 \$'000
Sale of goods	28,760	26,794
Service and sundry income	2,156	1,128
Total revenue	30,916	27,922

All the contracts are less than 12 months.

B. Revenue classified by timing of revenue recognition:

	Group	
	2023 \$'000	2022 \$'000
Point in time	29,758	27,848
Over time	1,158	74
Total revenue	30,916	27,922

Also see Note 4.

## 6. PROPERTY INCOME

	Group	
	2023 \$'000	2022 \$'000
Rental and services income from an investment property	1,197	1,173
Design and fitting fees paid by new tenant	-	35
Total property income	1,197	1,208

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 7. PROPERTY EXPENSES

	Group	
	2023 \$'000	2022 \$'000
Building maintenance expense	486	405
Depreciation expense	225	225
Utilities and other expenses	136	59
	<u>847</u>	<u>689</u>

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

	Group	
	2023 \$'000	2022 \$'000
Foreign exchange adjustments (losses) / gains	(490)	251
Fair value losses on financial instruments at FVTPL (Note 23)	(31)	(12)
Allowance for trade receivable	(53)	–
Government grant income	40	19
Dividend income	19	75
Interest income	771	157
Other income	38	42
Net	<u>294</u>	<u>532</u>
Presented in profit or loss as:		
Other income and gains	868	544
Other losses	(574)	(12)
Net	<u>294</u>	<u>532</u>

## 9. FINANCE COST

	Group	
	2023 \$'000	2022 \$'000
Interest expense on lease liabilities	<u>5</u>	<u>3</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 10. EMPLOYEE BENEFITS EXPENSE

	Group	
	2023 \$'000	2022 \$'000
Short term employee benefits expense	3,388	3,531
Contributions to defined contribution plan	419	334
Total employee benefits expense	3,807	3,865
Included in distribution and administrative expenses	3,152	3,243
Included in cost of sales	655	622
Total employee benefits expense	3,807	3,865

## 11. INCOME TAX

### 11A. Components of tax expense recognised in profit or loss

	Group	
	2023 \$'000	2022 \$'000
<u>Current tax expense:</u>		
Current tax expense	2,133	1,590
Over adjustments in respect of prior periods	(31)	-
Subtotal	2,102	1,590
<u>Deferred tax expense / (income):</u>		
Deferred tax expense / (income)	6	(15)
Subtotal	6	(15)
Total income tax expense	2,108	1,575

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 11. INCOME TAX (CONT'D)

### 11A. Components of tax expense recognised in profit or loss (cont'd)

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% (2022: 17.0%) to profit or loss before income tax as a result of the following differences:

	Group	
	2023 \$'000	2022 \$'000
Profit before tax	11,596	9,746
Income tax expense at the above rate	1,971	1,657
Effect of different tax rates in different countries	42	19
Income not subject to tax	(12)	(26)
Not deductible items for tax purposes	188	2
Stepped income exemption and tax rebate	(37)	(48)
Over adjustments to tax in respect of prior periods	(31)	–
Previously unrecognised deferred tax assets recognised this year	–	(15)
Others	(13)	(14)
Total income tax expense	<u>2,108</u>	<u>1,575</u>

There are no income tax consequences of dividends to owners of the company.

### 11B. Deferred tax expense recognised in profit or loss

	Group	
	2023 \$'000	2022 \$'000
Capital allowance carryforwards	6	(15)
Total deferred tax expense / (income) recognised in profit or loss	<u>6</u>	<u>(15)</u>

### 11C. Deferred tax balance in the statements of financial position

	Group			
	2023		2022	
	Gross amount \$'000	Tax effect \$'000	Gross amount \$'000	Tax effect \$'000
Capital allowances	753	128	788	134
Net deferred tax assets	<u>753</u>	<u>128</u>	<u>788</u>	<u>134</u>

Temporary differences arising in connection with interests in subsidiaries are insignificant.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 12. EARNINGS PER SHARE

The following table illustrates the numerators and denominators used to calculate basic and diluted amount per share of no par value:

	Group	
	2023 \$'000	2022 \$'000
Numerators: earnings attributable to equity:		
A. Continuing operations: attributable to equity holders	9,488	8,171
B. Total basic earnings	9,488	8,171
C. Diluted earnings	9,488	8,171
	<b>'000</b>	<b>'000</b>
Denominators: weighted average number of equity shares		
D. Basic	34,953	34,953
E. Diluted	34,953	34,953

The weighted average number of ordinary shares refers to shares in issue outstanding during the reporting year.

The ordinary share equivalents included in these calculations are: (1) the average number of ordinary shares assumed to be outstanding during the reporting year and (2) shares of ordinary share issuable upon assumed exercise of share options which (if any) would have a dilutive effect. The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. It is after the neutralisation by the treasury shares. There is no dilutive effect from the share options as they are anti-dilutive because their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

## 13. DIVIDENDS PAID ON EQUITY SHARES

	Rate per share			
	2023 cents	2022 cents	2023 \$'000	2022 \$'000
<u>Group and company</u>				
Final tax exempt (1-tier) ordinary dividend paid	5	5	1,748	1,748
Final tax exempt (1-tier) special dividend paid	5	–	1,747	–
Interim tax exempt(1-tier) ordinary dividend paid	–	5	–	1,747
	<b>10</b>	<b>10</b>	<b>3,495</b>	<b>3,495</b>

In respect of the current reporting year, the directors have proposed that a final dividend of 5.00 cents per ordinary share with a total of \$1,748,000 and a special dividend of 5 cents per ordinary share with a total of \$1,748,000 be paid to shareholders after the annual general meeting to be held in future. There are no income tax consequences on the company. This dividend is subject to approval by shareholders at the next annual general meeting and has not been included as a liability in these financial statements. The proposed dividend is payable in respect of all ordinary shares in issue at the end of the reporting year and including any new qualifying shares issued up to the date the dividend becomes payable.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 14. PROPERTY, PLANT AND EQUIPMENT

Group	Renovations \$'000	Furniture, fittings and equipment \$'000	Freehold office unit \$'000	Freehold land and factory \$'000	Total \$'000
<u>Cost:</u>					
At 1 April 2021	332	5,267	2,082	1,860	9,541
Foreign exchange adjustments	(33)	83	–	(13)	37
Additions	32	160	–	–	192
Disposals	–	(1)	–	–	(1)
Written-off	–	(2)	–	–	(2)
At 31 March 2022	331	5,507	2,082	1,847	9,767
Foreign exchange adjustments	(25)	(364)	–	(119)	(508)
Additions	30	542	–	–	572
Disposals	–	(192)	–	–	(192)
At 31 March 2023	336	5,493	2,082	1,728	9,639
	Renovations \$'000	Furniture, fittings and equipment \$'000	Freehold office unit \$'000	Freehold land and factory \$'000	Total \$'000
<u>Accumulated depreciation:</u>					
At 1 April 2021	257	3,763	268	41	4,329
Foreign exchange adjustments	–	141	–	–	141
Depreciation for the year	27	366	23	20	436
Disposals	–	(1)	–	–	(1)
Written-off	–	(2)	–	–	(2)
At 31 March 2022	284	4,267	291	61	4,903
Foreign exchange adjustments	(1)	(368)	–	(4)	(373)
Depreciation for the year	16	360	23	19	418
Disposals	–	(79)	–	–	(79)
At 31 March 2023	299	4,180	314	76	4,869
<u>Carrying value:</u>					
At 1 April 2021	75	1,504	1,814	1,819	5,212
At 31 March 2022	47	1,240	1,791	1,786	4,864
At 31 March 2023	37	1,313	1,768	1,652	4,770



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

<b>Company</b>	<b>Renovations \$'000</b>	<b>Furniture, fittings and equipment \$'000</b>	<b>Freehold office unit \$'000</b>	<b>Total \$'000</b>
<u>Cost:</u>				
At 1 April 2021	272	109	2,082	2,463
Additions	–	2	–	2
Written-off	–	(5)	–	(5)
At 31 March 2022	272	109	2,082	2,463
Additions	–	25	–	25
At 31 March 2023	272	134	2,082	2,488
<u>Accumulated depreciation:</u>				
At 1 April 2021	255	106	267	628
Depreciation for the year	14	1	24	39
At 31 March 2022	269	107	291	667
Depreciation for the year	3	4	23	30
At 31 March 2023	272	111	314	697
<u>Carrying value:</u>				
At 1 April 2021	17	3	1,815	1,835
At 31 March 2022	3	2	1,791	1,796
At 31 March 2023	–	23	1,768	1,791

Allocation of the depreciation expense:

	<b>Group</b>	
	<b>2023 \$'000</b>	<b>2022 \$'000</b>
Cost of sales	288	284
Administrative expenses	130	152
	418	436

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

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

	<b>Group Right-of-use assets \$'000</b>
<u>Cost:</u>	
At 1 April 2021	465
Additions	219
At 31 March 2022	684
Additions	493
At 31 March 2023	1,177
<u>Accumulated depreciation:</u>	
At 1 April 2021	345
Foreign exchange adjustments	(2)
Depreciation for the year	192
At 31 March 2022	535
Foreign exchange adjustments	(6)
Depreciation for the year	237
At 31 March 2023	766
<u>Carrying value:</u>	
At 1 April 2021	120
At 31 March 2022	149
At 31 March 2023	411

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

	<b>Group</b>	
	<b>2023 \$'000</b>	<b>2022 \$'000</b>
Lease liabilities, Current	239	146
Lease liabilities, non-current	181	-
Total	420	146

The weighted average incremental borrowing rate applied to lease liabilities recognised was 5.25% (2022: 5.25%) per year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The leases are for office space and production facilities in Suzhou, People's Republic of China.

During the current year, the Group renegotiated an existing lease by extending the lease term by another 2 years at revised lease payments. As this extension is not part of the terms and conditions of the original lease contract, it is accounted for as an addition to the right-of-use assets.

Lease terms contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

A summary of the maturity analysis of lease liabilities is disclosed in Note 32E. Total cash outflows for leases for the year ended 31 March 2023 are shown in the statement of cash flows. There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

## 16. INVESTMENT PROPERTY

<b>Group and Company</b>	<b>Freehold land \$'000</b>	<b>Freehold building \$'000</b>	<b>Building improvements \$'000</b>	<b>Total \$'000</b>
<u>Cost:</u>				
At 1 April 2021	10,804	6,612	1,498	18,914
Additions	–	–	68	68
At 1 April 2022 and 31 March 2023	10,804	6,612	1,566	18,982
<u>Accumulated depreciation:</u>				
At 1 April 2021	–	1,984	231	2,215
Depreciation for the year	–	175	50	225
At 31 March 2022	–	2,159	281	2,440
Depreciation for the year	–	174	51	225
At 31 March 2023	–	2,333	332	2,655
<u>Carrying value:</u>				
At 1 April 2021	10,804	4,628	1,267	16,699
At 31 March 2022	10,804	4,453	1,285	16,542
At 31 March 2023	10,804	4,279	1,234	16,317

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 16. INVESTMENT PROPERTY (CONT'D)

	<b>Group and Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Fair value at end of the year for disclosure purposes only	41,689	37,817
Rental and service income from investment property	1,197	1,208
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the reporting year	(847)	(689)

The depreciation expense is charged under property expenses.

The investment property is two-adjointing six-storey semi-detached industrial buildings located at Nos. 7 and 9 Harrison Road, Singapore 369650/1. Other than an office unit in one of the buildings which is used by the group as its corporate head office and classified under property, plant and equipment in Note 14, the remaining units in the two buildings are leased out under operating leases. Also see Note 30 on operating lease income commitments.

The management has not entered into contractual obligations for the maintenance or enhancement of the investment property.

As the lessor, the reporting entity manages the risk associated with any rights it retains in the underlying assets including any means to reduce that risk. Such means may include, insurance coverage, buy-back agreements, residual value guarantees or variable lease payments for use in excess of specified limits, having clauses in the leases providing for compensation the lessor when a property has been subjected to excess wear-and-tear during the lease term.

The fair value of investment property was measured in March 2023 based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on a valuation made by Knight Frank Pte Ltd, a firm of independent professional valuers and member of Singapore Institute of Surveyors and Valuers. The firm holds a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued. There has been no change to the valuation technique during the reporting year. Management determined that the highest and best use of the asset is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

A description of the valuation technique and the significant other observable inputs used in the fair value measurement are as follows:

Asset:	Nos. 7 and 9 Harrison Road, Singapore 369650/1 (excluding #05-01 which is classified under property, plant and equipment)
Fair value:	\$41,689,000 (2022: \$37,817,000)
Fair value hierarchy:	Level 2 (2022: Level 2)
Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent transaction prices for similar properties
Significant observable inputs and range (weighted average):	Price per square foot: \$1,414 (2022: \$1,282)
Relationship of unobservable inputs to fair value:	NA.
Sensitivity on management's estimate – 10% variation from estimate:	Impact – lower by \$4,169,000; higher by \$4,169,000

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 17. INTANGIBLE ASSETS

<b>Group</b>	<b>Certification fees \$'000</b>
<u>Cost:</u>	
At 1 April 2021, 31 March 2022 and 31 March 2023	371
<u>Accumulated amortisation:</u>	
At 1 April 2021	363
Amortisation for the year	5
At 31 March 2022	368
Amortisation for the year	2
At 31 March 2023	370
<u>Carrying value:</u>	
At 1 April 2021	8
At 31 March 2022	3
At 31 March 2023	1

The amortisation expense is charged to administrative expenses.

## 18. INVESTMENTS IN SUBSIDIARIES

	<b>Company</b>	
	<b>2023 \$'000</b>	<b>2022 \$'000</b>
Unquoted equity shares at cost	22,914	22,835
Allowance for impairment	(12,155)	(12,155)
Net carrying amount	10,759	10,680
<b>Movements in cost during the year:</b>		
At beginning of the year	22,835	22,635
Additions	79	200
At the end of the year	22,914	22,835
<b>Movements in allowance for impairment:</b>		
At beginning and end of the year	12,155	12,155
<b>Analysis of above amounts before allowance denominated in non-functional currencies:</b>		
United States Dollar	12,155	12,155
Chinese Renminbi	3,829	3,829
Others	161	82

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 18. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The listing of and information of the subsidiaries are given below:

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost in books of the company		Effective equity held by the company	
	2023 \$'000	2022 \$'000	2023 %	2022 %
Compex Systems Pte Ltd <sup>(a)</sup> Singapore Trader of own made wireless connectivity products / solutions	1,569	1,569	100	100
Compex Technologies Pte Ltd <sup>(a)</sup> Singapore Trader of own made wireless connectivity products / solutions / computers related peripherals	5,000	5,000	100	100
Harrison Pte Ltd <sup>(f)</sup> Singapore Leasing and maintenance of property	200	200	100	100
Compex (Suzhou) Co., Ltd <sup>(b) (c)</sup> People's Republic of China Manufacturer of wireless connectivity products	3,714	3,714	100	100
Compex Wireless (Suzhou) Co., Ltd <sup>(c)</sup> People's Republic of China Trader of own made wireless connectivity products / solutions	115	115	100	100
Compex Technologies Sdn Bhd <sup>(d)</sup> Malaysia Manufacturer of wireless connectivity products	161	82	100	100
Compex Inc <sup>(e)</sup> United States of America Dormant	12,155	12,155	100	100
	22,914	22,835		

(a) Audited by RSM Chio Lim LLP, a member firm of RSM International.

(b) Audited by SBA Stone Forest CPA Co., Ltd, an alliance firm of RSM Chio Lim LLP in Singapore for consolidation purpose only.

(c) Audited by PengSheng Certified Public Accountants Co. Ltd, a public accountants firm in the Suzhou, China.

(d) During the reporting year, the subsidiary issued 250,000 ordinary shares by the capitalization of RM250,000 (equivalent to S\$79,000) of other payables. Audited by YYC & Co PLT, a Chartered Accountant firm in Malaysia.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 18. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (e) Not required to be audited under the law of its country of incorporation and it is not material. Subsequent to reporting year end, management has appointed a qualified professional to assist in applying for members' voluntary winding up and the outcome of the application is not available as of report date.
- (f) Audited by TS Tay Public Accounting Corporation.

As is required by Rule 716 of the Listing Manual of The Singapore Exchange Securities Trading Limited, the audit committee and the board of directors of the company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the group.

## 19 OTHER FINANCIAL ASSETS, NON-CURRENT

	Group and Company	
	2023 \$'000	2022 \$'000
Investments in equity shares at FVTOCI (Note 19A)	523	555
Unquoted equity shares at cost through OCI (Note 19B)	–	5
	<u>523</u>	<u>560</u>

### 19A. Investments in equity shares at FVTOCI

	Group and Company	
	2023 \$'000	2022 \$'000
Fair value at beginning of the year	555	3,224
Disposals	–	(418)
Gain on disposal transferred to retained earnings (Note 27)	–	(2,572)
(Decrease) / increase in fair value through other comprehensive income	(32)	321
Fair value at end of the year	<u>523</u>	<u>555</u>

The gain or loss on remeasuring investments in equity shares at FVTOCI to fair value 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 fair value of the equity instruments at the date of derecognition in FY2022 was \$321,000. The cumulative gain on disposal in FY2022 of \$2,572,000 was transferred to retained earnings. The dividend income from equity instruments derecognised in FY2022 is disclosed in Note 8.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 19. OTHER FINANCIAL ASSETS (CONT'D)

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

		<b>Group and Company</b>	
	<b>Level</b>	<b>2023</b>	<b>2022</b>
		<b>\$'000</b>	<b>\$'000</b>
Quoted equity shares in corporations			
- Technology, Thailand	1	523	555

## 19B. Unquoted equity shares at cost through OCI

		<b>Group and Company</b>	
		<b>2023</b>	<b>2022</b>
		<b>\$'000</b>	<b>\$'000</b>
At beginning of the year		5	5
Written off		(5)	-
As at end of the year		-	5

The financial reporting standard on financial instruments require that all investments in unquoted equity shares and contracts on those instruments must be measured at fair value. However, in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

When information about the performance and operations of the investee becomes available after the date of initial recognition and that relevant factors exist, they may indicate that cost might not be representative of fair value. In such cases, the unquoted equity shares have to be measured fair value.

The amount was written off during the reporting year.

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

		<b>Group and Company</b>	
		<b>2023</b>	<b>2022</b>
		<b>\$'000</b>	<b>\$'000</b>
Unquoted equity shares in corporation			
- Technology, United States of America		-	5



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 20. OTHER NON-FINANCIAL ASSETS, NON-CURRENT

	<b>Group and Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Club membership at beginning of the year	7	7
Written off	(7)	-
At the end of the year	-	7

## 21. INVENTORIES

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Finished goods and goods for resale	1,206	1,881
Work-in-progress	2,979	2,012
Raw material, consumables and supplies	1,858	3,607
	<b>6,043</b>	<b>7,500</b>
Inventories are stated after allowance as follows:		
At beginning of the year	864	486
Charged to profit or loss included in cost of sales	1,014	256
Used	(176)	122
At end of the year	<b>1,702</b>	<b>864</b>
Changes in inventories of finished goods and work-in-progress	292	1,880
The amount of inventories included in cost of sales	<b>13,443</b>	<b>12,564</b>

There are no inventories pledged as security for liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 22. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Trade receivables:</u>				
Outside parties	1,108	364	128	20
Less: Allowance for impairment	(53)	–	–	–
Net trade receivables - subtotal	1,055	364	128	20
<u>Other receivables:</u>				
Outside parties	629	622	183	58
Subsidiaries (Note 3)	–	–	12,007	17,955
Less: Allowance for impairment	–	–	(4,163)	(4,163)
	–	–	7,844	13,792
Net other receivables - subtotal	629	622	8,027	13,850
Total trade and other receivables	1,684	986	8,155	13,870
<u>Movements in above allowances:</u>				
At beginning of the year	–	–	4,163	4,155
Charge of trade receivables to profit or loss included in other income and gains	53	–	–	8
At end of the year	53	–	4,163	4,163

The expected credit losses (ECL) on the above trade receivables are based on the simplified approach to measuring expected credit losses (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 matrix is based on the historical observed default rates (over a period of 36 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.

The reporting entity also has a few customers with material balances and which can be credit risk graded individually and these are recorded at inception net of any expected lifetime ECL. For these material balances the credit risk is graded individually. For these material balances, at the end of the reporting year a loss allowance is recognised if there has been a significant increase in credit risk since initial recognition. For any significant increase or decrease in credit risk an adjustment is made to the loss allowance for the material balances. For the smaller balances the assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL including the impact of the current economic conditions. The allowance model is based on the historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is from 30-90 days (2022: 30-90 days). But some customers take a longer period to settle the amounts.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 22. TRADE AND OTHER RECEIVABLES (CONT'D)

The ageing of the trade receivable balance is as follows:

	Gross amount	
	2023 \$'000	2022 \$'000
<u>Group</u>		
Current		135
1 – 30 days past due	1,001	148
31 – 60 days past due	–	70
61 – 90 days past due	3	2
Over 90 days past due	104	9
Total	<u>1,108</u>	<u>364</u>
<u>Company</u>		
Current	69	11
Over 90 days past due	59	9
Total	<u>128</u>	<u>20</u>

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

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

	Group	
	2023 \$'000	2022 \$'000
Top 1 customer	656	117
Top 2 customers	840	207
Top 3 customers	<u>1,022</u>	<u>274</u>

Other receivables are normally with no fixed terms and therefore there is no fixed maturity date.

The other receivables shown above are subject to the expected credit loss (ECL) allowance assessment under the financial reporting standard on financial instruments. The other receivables can be graded for credit risk 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 significant increase in credit risk since initial recognition. For any significant increase or decrease in credit risk an adjustment is made to the loss allowance. The credit risk grade assessed is based on predictive nature of the risk of loss (such as the use of management accounts and cash flow projections that is available without undue cost or effort) and applying experienced credit judgement.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 22. TRADE AND OTHER RECEIVABLES (CONT'D)

The company's other receivables includes \$2,500,000 (2022: \$2,579,000) quasi-equity loan to a subsidiary and has no fixed terms of repayment. The directors consider this receivable as quasi-equity in nature as this receivable is not expected to be repaid until such time the subsidiary has the financial resources in excess of their working capital requirements, and is in a position to return the capital.

## 23. OTHER FINANCIAL ASSETS, CURRENT

	<b>Group and Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Quoted equity shares in corporations (Level 1)	117	148
Movements during the year:		
At beginning of the year	148	160
Fair value loss included in profit or loss included in other losses / other income and gains (Note 8)	(31)	(12)
At end of the year	117	148

## 24. OTHER NON-FINANCIAL ASSETS, CURRENT

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Prepayments	195	170	28	24
Deposits to secure services	75	50	50	25
	270	220	78	49

## 25. CASH AND CASH EQUIVALENTS

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Fixed deposits	36,780	34,865	25,700	19,500
Cash and bank balances	18,257	12,786	2,035	468
	55,037	47,651	27,735	19,968
Interest earning balances	37,137	35,226	25,817	19,619

The rates of interest for the cash on interest earning balances ranged between 0.01% and 5.17% (2022: 0.01% and 3.30%) per year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 25. CASH AND CASH EQUIVALENTS (CONT'D)

	Group	
	2023 \$'000	2022 \$'000
Amount as shown above	55,037	47,651
Less: Cash restricted in use over 3 months	–	(17,965)
Cash and cash equivalents in consolidated statement of cash flows	55,037	29,686

### 25A. Reconciliation of liabilities arising from financing activities

	2022 \$'000	Cash flows \$'000	Non-cash changes \$'000	2023 \$'000
Lease liabilities	146	(115)	389	420

	2021 \$'000	Cash flows \$'000	Non-cash changes \$'000	2022 \$'000
Lease liabilities	132	(208)	222	146

Non-cash changes arise from the addition of new lease agreements and the accretion of interest from lease liabilities.

## 26. SHARE CAPITAL

Group and Company	Number of shares issued '000	Share capital \$'000	Treasury shares \$'000	Total \$'000
Ordinary shares of no par value:				
At beginning and at end of the year 31 March 2022 and 31 March 2023	34,953	25,352	(790)	24,562

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.

	Number of treasury shares		Fair value	
	2023 '000	2022 '000	2023 \$'000	2022 \$'000
At beginning and end of the year 31 March 2022 and 31 March 2023	850	850	790	790

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 26. SHARE CAPITAL (CONT'D)

Capital management:

The objectives when managing capital are: to safeguard the reporting entity'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 owners 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 owners, 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 Stock Exchange it has to have share capital with a free float of at least 10% of the 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 a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

There are no external borrowings. The debt-to-adjusted capital ratio does not provide a meaningful indicator of the risk of borrowings.

## 27. OTHER RESERVES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Fair value reserve (Note 27A)	551	583	551	583
Reserve on consolidation (Note 27B)	88	88	-	-
Foreign currency translation reserve (Note 27C)	(1,453)	(818)	-	-
	<u>(814)</u>	<u>(147)</u>	<u>551</u>	<u>583</u>

All 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

For the financial year ended 31 August 2023

## 27. OTHER RESERVES (CONT'D)

### 27A. Fair value reserve

	Group and Company	
	2023	2022
	\$'000	\$'000
At beginning of the year	583	2,834
Transferred to retained earnings – realised on disposals	–	(2,572)
(Decrease) / increase in fair value through other comprehensive income	(32)	321
At end of the year	551	583

Fair value reserve represents the cumulative fair value changes of equity investments designated as FVTOCI until the investments are derecognised.

### 27B. Reserve on consolidation

	Group	
	2023	2022
	\$'000	\$'000
At beginning and at end of the year 31 March 2022 and 31 March 2023	88	88

### 27C. Foreign currency translation reserve

	Group	
	2023	2022
	\$'000	\$'000
At beginning of the year	(818)	(985)
Exchange differences on translating foreign operations	(635)	167
At end of the year	(1,453)	(818)

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 28. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	4,027	3,378	315	265
<u>Other payables:</u>				
Outside parties	43	78	-	-
Total trade and other payables	4,070	3,456	315	265

## 29. OTHER NON-FINANCIAL LIABILITIES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Advance rental received	77	55	77	55
Deferred revenue	11	61	-	-
Deposits received (Note 29A)	4,452	4,690	285	231
Provision for warranty costs (Note 29B)	152	117	-	-
	4,692	4,923	362	286

### 29A. Deposits received

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Movements in deposits received:				
At beginning of the year	4,690	3,551	231	214
Performance obligation satisfied – revenue recognised in the reporting year that was included in the contract liability balance at the beginning of the year	(4,458)	(3,339)	-	-
Consideration received or receivable	4,220	4,478	54	17
At end of the year	4,452	4,690	285	231

The deposits from customers are expected to be recognised in revenue within 12 months.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 29. OTHER NON-FINANCIAL LIABILITIES (CONT'D)

### 29B. Provision for warranty costs

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Movements in provisions for warranty cost:				
At beginning of the year	117	123	-	-
Charged to profit or loss included in cost of sales	140	81	-	-
Used	(105)	(87)	-	-
At end of the year	152	117	-	-

## 30. OPERATING LEASE INCOME COMMITMENTS – AS LESSOR

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	Group	
	2023 \$'000	2022 \$'000
Not later than one year	937	894
More than 1 year, less than 2 year	446	427
More than 2 year, less than 3 year	183	68
Total	1,566	1,389
Rental income for the year	1,197	1,208

Operating lease income commitments are for the investment properties. The lease rental income terms are negotiated for an average term of two years at an agreed monthly rental.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 31. ITEMS IN ADMINISTRATIVE EXPENSES

	Group	
	2023 \$'000	2022 \$'000
Audit fees to the independent auditor of:		
- the company	105	98
- network films	21	23
- non-network films	10	5
Non-audit related service fees to the independent auditor of:		
- the company	Nil	Nil
- network films	Nil	6
- non-network films	12	11

## 32. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

### 32A. Categories of financial assets and liabilities

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

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	56,721	48,637	35,890	33,838
Financial assets at fair value through profit or loss (FVTPL)	117	148	117	148
Financial assets that is an equity investment at fair value through other comprehensive income (FVTOCI)	523	560	523	560
	<u>57,361</u>	<u>49,345</u>	<u>36,530</u>	<u>34,546</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	4,490	3,602	315	265

Further quantitative disclosures are included throughout these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 32. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 32B. 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, 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. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior staff.
4. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

### 32C. Fair values of financial instruments

The analyses 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.

### 32D. Credit risk on financial assets

Financial assets are principally from cash balances with banks, cash equivalents, receivables and other financial assets at amortised cost. They are potentially subject to credit risk due to failures by counterparties to discharge their obligations in full or in a timely manner. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances and any other financial instruments with banks and other financial institutions is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the ECL allowance. Under this general approach the financial assets move through the three stages as their credit quality change. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, for trade receivables that do not contain a significant financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a significant financing component, the reporting entity applies the simplified approach in calculating ECL as is permitted by the financial reporting standard on financial instruments. Under the simplified approach, the reporting entity does not track changes in credit risk, but instead recognises the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life at each reporting date. 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 25 discloses the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 32. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 32E. 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 following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

<b>Group</b>	<b>Less than 1 year \$'000</b>	<b>2 to 5 years \$'000</b>	<b>Total \$'000</b>
Non-derivative financial liabilities			
<u>2023:</u>			
Gross lease liabilities	239	181	420
Trade and other payables	4,070	–	4,070
At end of the year	<u>4,309</u>	<u>181</u>	<u>4,490</u>
<u>2022:</u>			
Gross lease liabilities	146	–	146
Trade and other payables	3,456	–	3,456
At end of the year	<u>3,602</u>	<u>–</u>	<u>3,602</u>
<u>Company</u>			
Non-derivative financial liabilities			
<u>2023:</u>			
Trade and other payables	315	–	315
At end of the year	<u>315</u>	<u>–</u>	<u>315</u>
<u>2022:</u>			
Trade and other payables	265	–	265
At end of the year	<u>265</u>	<u>–</u>	<u>265</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 32. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 32E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

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.

The average credit period taken to settle trade payables is about 90 days (2022: 90 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.

### 32F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial assets with interest:				
Fixed rates	37,137	35,226	25,817	19,619
Financial liabilities with interest:				
Fixed rates	420	146	–	–

The interest rates are disclosed in the respective notes.

Sensitivity analysis: The effect on pre-tax profit is not significant.

### 32G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 32. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 32G. Foreign currency risks (cont'd)

Analysis of amounts denominated in non-functional currency:

<b>Group</b>	<b>Thai Baht</b>	<b>Renminbi</b>	<b>United States</b>	<b>Total</b>
<b>2023:</b>	<b>\$'000</b>	<b>\$'000</b>	<b>Dollar</b>	<b>\$'000</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Financial assets:</u>				
Cash and cash equivalents	–	2,214	15,686	17,900
Loans and receivables	–	–	927	927
Other financial assets	523	–	–	523
<b>Total financial assets</b>	<b>523</b>	<b>2,214</b>	<b>16,613</b>	<b>19,350</b>
<u>Financial liabilities:</u>				
Trade and other payables	–	–	(693)	(693)
<b>Total financial liabilities</b>	<b>–</b>	<b>–</b>	<b>(693)</b>	<b>(693)</b>
<b>Net financial assets at end of the year</b>	<b>523</b>	<b>2,214</b>	<b>15,920</b>	<b>18,657</b>
<b>Group</b>	<b>Thai Baht</b>	<b>Renminbi</b>	<b>United States</b>	<b>Total</b>
<b>2022:</b>	<b>\$'000</b>	<b>\$'000</b>	<b>Dollar</b>	<b>\$'000</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Financial assets:</u>				
Cash and cash equivalents	–	685	14,396	15,081
Loans and receivables	–	–	344	344
Other financial assets	555	–	–	555
<b>Total financial assets</b>	<b>555</b>	<b>685</b>	<b>14,740</b>	<b>15,980</b>
<u>Financial liabilities:</u>				
Trade and other payables	–	–	(147)	(147)
<b>Total financial liabilities</b>	<b>–</b>	<b>–</b>	<b>(147)</b>	<b>(147)</b>
<b>Net financial assets at end of the year</b>	<b>555</b>	<b>685</b>	<b>14,593</b>	<b>15,833</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 32. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 32G. Foreign currency risks (cont'd)

<b>Company</b>	<b>Thai Baht</b>	<b>United States</b>	<b>Total</b>
<b>2023:</b>	<b>\$'000</b>	<b>Dollar</b>	<b>\$'000</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Financial assets:</u>			
Cash and cash equivalents	–	91	91
Other financial assets	523	–	523
Total financial assets	523	91	614
<b>2022:</b>			
<u>Financial assets:</u>			
Cash and cash equivalents	–	108	108
Other financial assets	555	–	555
Total financial assets	555	108	663

There is exposure to foreign currency risk as part of the group's normal business.

Sensitivity analysis:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the US\$ with all other variables held constant would have an adverse effect on pre-tax profit of	(1,447)	(1,327)	(8)	(10)
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the Thai baht with all other variables held constant would have an adverse effect on other comprehensive income of	(48)	(50)	(48)	(50)
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the Chinese renminbi with all other variables held constant would have an adverse effect on pre-tax profit of	(201)	(62)	–	–

The above table shows sensitivity to the hypothetical percentage variations 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2023

## 32. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 32G. Foreign currency risks (cont'd)

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.

### 32H. Equity price risk

There are investments in equity shares or similar instruments. Such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the equity shares. The fair values of these equity shares are disclosed in Notes 19 and 23.

## 33. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year, new or revised financial reporting standards were issued by the Accounting Standards Committee under ACRA. Those applicable to the company 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) 1-16	Property, Plant and Equipment: Proceeds before Intended Use - Amendments to
SFRS (I) 1-37	Onerous Contracts - Costs of Fulfilling a Contract – Amendments to

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

For the future reporting years certain new or revised financial reporting standards were issued by the Accounting Standards Committee under ACRA and these will only be effective for future reporting years. Those applicable to the company for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the company's financial statements in the period of initial application.

<b>SFRS (I) No.</b>	<b>Title</b>	<b>Effective date for periods beginning on or after</b>
SFRS (I) 1-1	Disclosure of Accounting Policies – Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 Making Materiality Judgements	1 Jan 2023
SFRS (I) 1-8	Definition of Accounting Estimates - Amendments to	1 Jan 2023
SFRS (I)10 and SFRS (I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined



# STATISTICS OF SHAREHOLDINGS

AS AT 16 JUNE 2023

Issued and full paid-up capital (excluding treasury share)	: S\$24,562,120
Number of ordinary shares in issue (including treasury shares)	: 35,802,796
Class of Share	: Ordinary Shares
Number of ordinary shares (excluding treasury shares)	: 34,953,156
Voting Rights	: One Vote per share

As at 16 June 2023, the total number of treasury shares held was 849,640. The treasury shares as a percentage of the total number of issued shares excluding treasury shares is 2.43%.

The Company does not have any subsidiary holdings.

## DISTRIBUTION OF SHAREHOLDINGS

<b>SIZE OF SHAREHOLDINGS</b>	<b>NO. OF SHAREHOLDERS</b>	<b>%</b>	<b>NO. OF SHARES</b>	<b>%</b>
1 - 99	124	5.78	7,153	0.02
100 - 1,000	1,084	50.51	608,792	1.74
1,001 - 10,000	809	37.70	2,502,107	7.16
10,001 - 1,000,000	127	5.92	9,532,372	27.27
1,000,001 AND ABOVE	2	0.09	22,302,732	63.81
<b>TOTAL</b>	<b>2,146</b>	<b>100.00</b>	<b>34,953,156</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

<b>NO.</b>	<b>NAME</b>	<b>NO. OF SHARES</b>	<b>%</b>
1	CHEN MUN	19,427,932	55.58
2	ANG BEE YAN	2,874,800	8.22
3	DBS NOMINEES (PRIVATE) LIMITED	773,500	2.21
4	TAN KIAN CHUAN (CHEN JIANZHUAN)	710,000	2.03
5	LIM POH KENG (LIN BAOQING)	593,600	1.70
6	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	542,840	1.55
7	IFAST FINANCIAL PTE. LTD.	504,050	1.44
8	TAN KOK CHING	468,800	1.34
9	HO SOON TECK	338,200	0.97
10	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	337,950	0.97
11	AH HOT GERARD ANDRE	226,500	0.65
12	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	217,700	0.62
13	SEAH CHYE ANN (XIE CAI'AN)	207,000	0.59
14	LIM BOON KEAT	199,000	0.57
15	HUANG PING K'NAR	192,300	0.55
16	ANG LAY HOON	180,000	0.51
17	RAFFLES NOMINEES (PTE.) LIMITED	163,794	0.47
18	LUO FENG	160,400	0.46
19	PHILLIP SECURITIES PTE LTD	150,380	0.43
20	LIM & TAN SECURITIES PTE LTD	143,600	0.41
	<b>TOTAL</b>	<b>28,412,346</b>	<b>81.27</b>

# STATISTICS OF SHAREHOLDINGS

AS AT 16 JUNE 2023

## SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

<b>Name of Shareholders</b>	<b>Direct Interest</b>	<b>%</b>	<b>Deemed Interest</b>	<b>%</b>
Chen Mun	19,427,932	55.58	0	0
Ang Bee Yan	2,874,800	8.22	0	0

## PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

35.56% of the Company's shares are in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST

# NOTICE OF THIRTY-FOURTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Thirty-Fourth Annual General Meeting of **POWERMATIC DATA SYSTEMS LIMITED** (the “Company”) will be held at 8 Wilkie Road, #03-08 Wilkie Edge, Singapore 228095 on Wednesday, 26 July 2023 at 2.00 p.m. to transact the following businesses:

## AS ORDINARY BUSINESS

1. To receive and adopt the Statement by Directors and Audited Financial Statements of the Company for the financial year ended 31 March 2023 together with the Independent Auditor’s Report thereon.

**(Resolution 1)**

2. To declare a final ordinary one-tier tax exempt dividend of Singapore 5 cents per ordinary share for the financial year ended 31 March 2023. (FY2022: Final one-tier tax exempt dividend of Singapore 5 cents per ordinary share).

**(Resolution 2)**

3. To declare a special one-tier tax exempt dividend of Singapore 5 cents per ordinary share for the financial year ended 31 March 2023. (FY2022: Special one-tier tax exempt dividend of Singapore 5 cents per ordinary share).

**(Resolution 3)**

4. To re-elect Dr Lye Kin Mun as Director of the Company retiring pursuant to Regulation 103 of the Constitution of the Company.

**(Resolution 4)**

Dr Lye Kin Mun will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit and Risk Management Committee and Remuneration Committee and will be considered independent.

5. To re-elect Ms Ang Bee Yan, Katherine as Director of the Company retiring pursuant to Regulation 103 of the Constitution of the Company.

**(Resolution 5)**

Ms Ang Bee Yan, Katherine will, upon re-election as Director of the Company, remain as Executive Director of the Company and will be considered non-independent.

6. To re-elect Prof Cham Tao Soon as Director of the Company retiring pursuant to Regulation 107 of the Constitution of the Company.

**(Resolution 6)**

Prof Cham Tao Soon will, upon re-election as Director of the Company, remain as Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee and Nominating Committee and will be considered independent.

7. To approve the payment of Directors’ Fees of S\$75,000 for the financial year ended 31 March 2023. (FY2022: S\$75,000).

**(Resolution 7)**

8. To re-appoint RSM Chio Lim LLP as the Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration.

**(Resolution 8)**

9. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

# NOTICE OF THIRTY-FOURTH ANNUAL GENERAL MEETING

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

### 10. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act 1967 of Singapore and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, 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 of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (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 twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new shares arising from the conversion or exercise of any convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8; and
  - (c) 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 Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

**[See Explanatory Notes]**

**(Resolution 9)**

# NOTICE OF THIRTY-FOURTH ANNUAL GENERAL MEETING

By Order of the Board

Wong Yoen Har  
Company Secretary  
Singapore, 7 July 2023

## Explanatory Notes:

The Ordinary Resolution 9, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards and any subsequent bonus issue, consolidation or subdivision of shares.

## Notes:

- Members of the Company are invited to **attend physically** at the Annual General Meeting (the "Meeting"). There will be no option for members to participate virtually. The Annual Report 2023, Notice of Annual General Meeting, Proxy Form (the "Reports") will be sent to members. The Reports will also be made available to members by electronic means via publication on the Company's corporate website <https://powermatic.com.sg/> and is also made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- Members (including Central Provident Fund Investment Scheme investors ("CPF Investors") and/or Supplementary Retirement Scheme investors ("SRS Investors")) may participate in the Meeting by:
  - attending the Meeting in person;
  - raising questions at the Meeting or submitting questions in advance of the Meeting; and/or
  - voting at the Meeting:
    - themselves personally; or
    - through their duly appointed proxy(ies).

A member who is not a relevant intermediary, is entitled to appoint one or two proxies to attend and vote at the Meeting. Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), including CPF or SRS investors should approach their respective relevant intermediary or CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the Meeting, **by 5.00 p.m. on 14 July 2023**.

A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend 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 appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore:

- a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

# NOTICE OF THIRTY-FOURTH ANNUAL GENERAL MEETING

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

If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy. The Chairman of the Meeting will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the AGM and at any adjournment thereof.

The Chairman of the Meeting, as proxy, need not be a member of the Company.

4. Duly completed and signed instrument appointing the proxy or proxies or Chairman of the Meeting as proxy must either be submitted to the Company in the following manner:

- (a) if submitted by post, be lodged with the Company's registered office at No. 9, Harrison Road, #05-01, Singapore 369651; or
- (b) if submitted electronically, be submitted via email to [agm2023@powermatic.com.sg](mailto:agm2023@powermatic.com.sg).

**in either case, by 2.00 p.m. on 23 July 2023 (being not less than seventy-two (72) hours before the time appointed for the Meeting).**

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

Members are strongly encouraged to submit completed proxy forms electronically via email to [agm2023@powermatic.com.sg](mailto:agm2023@powermatic.com.sg).

5. Members may submit questions related to the resolutions to be tabled for approval at the Meeting in advance of the Meeting:

- (a) by post to the registered office address of the Company at No. 9, Harrison Road, #05-01, Singapore 369651; or
- (b) by email to [agm2023@powermatic.com.sg](mailto:agm2023@powermatic.com.sg).

All questions for the Meeting must be submitted **by 2.00 p.m. on 15 July 2023**.

The Board of Directors of the Company will endeavour to address all substantial and relevant questions received from shareholders prior to the Meeting by publishing the responses to those questions on SGXNet and the Company's website at the URL:<https://powermatic.com.sg/>, at least forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms **by 2.00 p.m. on 21 July 2023**.

The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received. The Company will publish the minutes of the Meeting via SGXNet on SGX website and the Company's website within one (1) month from the date of the Meeting.

## Personal data privacy:

By submitting an instrument appointing proxy(ies) or the Chairman of the Meeting as proxy to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of proxy(ies) or the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared for the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

# ADDITIONAL INFORMATION

ON DIRECTORS SEEKING FOR RE-ELECTION AND RE-APPOINTMENT AT THIRTY-FOURTH ANNUAL GENERAL MEETING

Name	:	Dr Lye Kin Mun	Ms Ang Bee Yan, Katherine	Prof Cham Tao Soon
Date Of Appointment	:	1 February 1993	1 July 2011	19 May 2023
Age	:	71	59	84
Country Of Principal Residence	:	Singapore	Singapore	Singapore
Date of last re-appointment (if applicable)	:	23 July 2021	29 September 2020	Not Applicable
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	:	The Board, having considered the recommendation of the Nominating Committee, is of the view that Dr Lye Kin Mun has the requisite knowledge and experiences to assume the responsibilities as the Independent Director of the Company	The Board, having considered the recommendation of the Nominating Committee, is of the view that Ms Ang Bee Yan has the requisite knowledge, experiences and leaderships in the Group to assume the responsibilities as Executive Director of the Company	The Board, having considered the recommendation of the Nominating Committee, is of the view that Prof Cham Tao Soon has the requisite knowledge, qualification and experiences to assume the responsibilities as the Independent Director of the Company
Whether appointment is executive, and if so, the area of responsibility	:	Non-Executive	Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	:	Independent Non-Executive Director, Chairman of NC and member of ARMC and RC	Executive Director	Independent Non-Executive Director, Chairman of RC and member of ARMC and NC
Professional qualifications	:	B.Sc. University of Alberta, Canada,  M.Eng. University of Singapore, Ph.D., University of Hawaii, Manoa, U.S.A.	Diploma in Chemical Process Technology	Doctorate of Philosophy (Fluid Mechanics) from University of Cambridge  Fellow of the Institution of Engineers, Singapore  Professional Engineer (Civil Engineering, Mechanical Engineering, Marine Engineering)  Fellow of the Institution of Mechanical Engineers, UK
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	:	Nil	Nil	Nil

# ADDITIONAL INFORMATION

ON DIRECTORS SEEKING FOR RE-ELECTION AND RE-APPOINTMENT AT THIRTY-FOURTH ANNUAL GENERAL MEETING

Name	:	Dr Lye Kin Mun	Ms Ang Bee Yan, Katherine	Prof Cham Tao Soon
Conflict of interest (including any competing business)	:	None	None	None
Working experience and occupation(s) during the past 10 years	:	Boards of Singapore Polytechnic and Ngee Ann Polytechnic  Director of Cellonics Inc.	Director of Powermatic Data Systems Limited  General Manager of Compex Systems Pte Ltd	Chairman, Soup Restaurant Group Ltd  Chairman, NSL Ltd  Supervisor, United Overseas Bank (China) Ltd
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Rule 720(1))	:	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	:	None	Yes	None
Shareholding Details	:	Not Applicable	Refer to Directors' Statement of this Annual Report	Not Applicable
<b>Other Principal Commitments Including Directorships</b>				
Past (for the last 5 years)	:	<u>Directorships:</u> Nil  <u>Principal Commitments:</u> May 2012 to April 2020 Chief Risk Officer, Agency for Science, Technology and Research (A*STAR)  July 2019 to Present Executive Director, Institute for Infocomm Research, Agency for Science, Technology and Research (A*STAR)	<u>Directorships:</u> Nil  <u>Principal Commitments:</u> Nil	<u>Directorships:</u> United Overseas Bank (China) Ltd The Tan Chin Tuan Foundation Institution of Engineers Singapore Fund Ltd  <u>Principal Commitments:</u> Nil
Present	:	<u>Directorships:</u> Nil  <u>Principal Commitments:</u> Executive Director, Institute for Infocomm Research, Agency for Science, Technology and Research (A*STAR)	<u>Directorships:</u> Nil  <u>Principal Commitments:</u> Nil	<u>Directorships:</u> Chairman, Soup Restaurant Group Ltd 2007 to present  Chairman, NSL Ltd 1988 to present  <u>Principal Commitments:</u> Supervisor, United Overseas Bank (China) Ltd 2000 to present



# ADDITIONAL INFORMATION

ON DIRECTORS SEEKING FOR RE-ELECTION AND RE-APPOINTMENT AT THIRTY-FOURTH ANNUAL GENERAL MEETING

Name	:	Dr Lye Kin Mun	Ms Ang Bee Yan, Katherine	Prof Cham Tao Soon
Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	:	No	No	No
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	No	No
Whether there is any unsatisfied judgment against him?	:	No	No	No
Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	:	No	No	No

# ADDITIONAL INFORMATION

ON DIRECTORS SEEKING FOR RE-ELECTION AND RE-APPOINTMENT AT THIRTY-FOURTH ANNUAL GENERAL MEETING

Name	:	Dr Lye Kin Mun	Ms Ang Bee Yan, Katherine	Prof Cham Tao Soon
Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	:	No	No	No
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	No	No
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	No	No
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	No	No

# ADDITIONAL INFORMATION

ON DIRECTORS SEEKING FOR RE-ELECTION AND RE-APPOINTMENT AT THIRTY-FOURTH ANNUAL GENERAL MEETING

Name	:	Dr Lye Kin Mun	Ms Ang Bee Yan, Katherine	Prof Cham Tao Soon
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	No	No
Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-				
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	:	No	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	:	No	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	:	No	No	No
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

# ADDITIONAL INFORMATION

ON DIRECTORS SEEKING FOR RE-ELECTION AND RE-APPOINTMENT AT THIRTY-FOURTH ANNUAL GENERAL MEETING

Name	:	Dr Lye Kin Mun	Ms Ang Bee Yan, Katherine	Prof Cham Tao Soon
Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	:	No	No	No
<b>Disclosure applicable to the appointment of Director only</b>				
<p>Any prior experience as a director of an listed issuer listed on the Exchange?</p> <p>If No, please state if the director has attended or will be attending training on the roels and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)</p>	:	Not Applicable	Not Applicable	Not Applicable

# POWERMATIC DATA SYSTEMS LIMITED

(Company Registration No. 198900414E)  
(Incorporated In the Republic of Singapore)

## PROXY FORM

(Please see notes overleaf before completing this Form)

### IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 5 for the definition of "relevant intermediary").
2. Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), who wish to appoint proxy or proxies should approach their relevant intermediary to submit their votes at least seven (7) working days before the AGM, **by 5.00 p.m. on 14 July 2023**.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies.

**Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Meeting.**

I/We, \_\_\_\_\_  
of \_\_\_\_\_

being a member/members of **POWERMATIC DATA SYSTEMS LIMITED** (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Email Address	Proportion of Shareholdings	
			No. of Shares	%
Address				

and/or (delete as appropriate)

Name	NRIC/Passport No.	Email Address	Proportion of Shareholdings	
			No. of Shares	%
Address				

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Thirty-Fourth Annual General Meeting (the "Meeting") of the Company to be held at 8 Wilkie Road, #03-08 Wilkie Edge, Singapore 228095 on Wednesday, 26 July 2023 at 2.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions relating to:	For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1.	To adopt the Statement by Directors and Audited Financial Statements for the financial year ended 31 March 2023 together with the Independent Auditor's Report thereon			
2.	Payment of final ordinary one-tier tax exempt dividend			
3.	Payment of special one-tier tax exempt dividend			
4.	To re-elect Dr Lye Kin Mun as Director of the Company			
5.	To re-elect Ms Ang Bee Yan, Katherine as Director of the Company			
6.	To re-elect Prof Cham Tao Soon as Director of the Company			
7.	To approve of Directors' Fees of S\$75,000 for the financial year ended 31 March 2023			
8.	To re-appoint RSM Chio Lim LLP as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration			
<b>SPECIAL BUSINESS</b>				
8.	To authorise Directors to allot and issue shares			

If you wish to exercise all your votes "For", "Against" or "Abstain" the Ordinary Resolutions, please indicate with a "✓" within the box provided. Otherwise, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Total Number of Shares held in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of member(s)  
or Common Seal of Corporate Shareholder

\*Delete where inapplicable

**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), 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 or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company is entitled to attend and vote at a meeting of the Company and is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
4. The instrument of appointing a proxy may be accessed at the Company's website at the URL <https://powermatic.com.sg/> or on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), including CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM, **by 5.00 p.m. on 14 July 2023**.

5. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

"Relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
6. The instrument appointing proxy or proxies or the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
    - (a) if submitted by post, be lodged with the Company's registered office at No. 9, Harrison Road, #05-01, Singapore 369651; or
    - (b) if submitted electronically, be submitted via email to [agm2023@powermatic.com.sg](mailto:agm2023@powermatic.com.sg).

**in either case, by 2.00 p.m. on 23 July 2023 (being not less than seventy-two (72) hours before the time appointed for the Meeting).**

7. A member who wishes to submit an instrument of proxy must first complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. The proxy form is available for download at the SGXNet and the Company's website at the URL <https://powermatic.com.sg/> or the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

**Members are strongly encouraged to submit completed proxy forms electronically via email.**

8. Completion and return of this instrument appointing a proxy shall not preclude a member from attending 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.
9. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal (or such other methods as provided for in Section 41B of the Companies Act 1967 of Singapore) or under the hand of an officer or attorney duly authorised. 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.
10. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.

**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 Annual General Meeting dated 7 July 2023.

**GENERAL:**

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 lodged 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 Meeting, as certified by The Central Depository (Pte) Limited to the Company.





**POWERMATIC DATA SYSTEMS LIMITED**

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Co. Reg.No.: 198900414E  
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