



AN
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LIMITED
20
25

MOVING, MAKING
MASTERING MOMENTUM





Established since 1977 with
49 years solid
track record

Manufacturing Operations are Certified and Awarded with
ISO 9001:2015
TUV and ClassNK

Build-Own-Transfer ("BOT")
Build-Own-Operate ("BOO")
Private-Public Partnership ("PPP")

>6000
systems sold

+

1
rural wastewater business
under PPP model

8
industrial wastewater treatment
plants under BOT/BOO model

DISTRIBUTION

Warehouse holds over 10,000 products such as stainless steel pipes, flanges, butt welded fittings, low/high pressure fittings, valves, stub ends, and flat products

Awarded: ISO 9001:2015 standards for quality management operation as stainless steel producer and stockist

Over 650 customers across the region

MANUFACTURING



Awarded ISO 9001:2015, TUV, and ClassNK certification and approved for international product standard compliance

Serve a wide base of customers

ENVIRONMENTAL AND ENGINEERING SERVICES

Construct and operate industrial wastewater treatment plants in the PRC

Consulting service in water resource management, including governmental and commercial operators in Singapore and PRC

Construct and supply rural wastewater treatment equipment in the PRC

This Annual Report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). The Annual Report has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Annual Report including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Ms Audrey Mok (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

Vision

To be a global leader in stainless steel piping products, known for our outstanding quality and unique upstream and downstream capabilities, from manufacturing to distribution to engineering construction and environmental business.

About AnnAik

Tracing its beginning to 1977, AnnAik Limited is today a manufacturer of forged steel flanges and butt welded fittings under "SHINSEI" brands, and a distributor of over 10,000 products such as stainless steel pipes, flanges, butt welded fittings, low/high pressure fittings, valves, stub ends, and flat products. AnnAik also engages in providing environmental services in the PRC and Singapore to governmental and commercial operators.

AnnAik's manufacturing operations are certified and awarded with ISO 9001:2015, TUV and ClassNK certification and approved for international product standard compliance. The reliable quality of AnnAik's products under "SHINSEI" brand also make us greatly sought after by a wide base of customers from around the world.

Similarly, the distribution division serves over 650 customers globally. Awarded: ISO 9001:2015 standards for quality management operation as stainless steel producer and stockist, AnnAik also went on to achieve bizSAFE Level 3 accreditation in 2014.

In 2005, the Group diversified into environmental business by securing contracts to build wastewater treatment plants in the PRC. Today, the Group not only has eight wastewater treatment plants in the PRC under Build-Own-Transfer ("BOT") or Build-Own-Operate ("BOO") concept, we have also expanded our service offerings to include consulting services in water resource management to governmental and commercial operators in Singapore and PRC, as well as the construction and supply of rural wastewater treatment equipment and system in the PRC under Private-Public Partnership ("PPP") and Engineering Procurement and Construction ("EPC") concept since 2015.

Notably, AnnAik's capabilities in both upstream and downstream activities have enabled us to enhance our efficiency and cost competitiveness in our business operations. Furthermore, the use of our products in diverse industries ranging from heavy-duty to light-duty industries such as marine engineering, shipbuilding and repair, oil and gas, petrochemical, semiconductor as well as the utilities sector has empowered the Group to build a sustainable business.

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Chairman's Message

for the Financial Year Ended 31 December 2025



Dear shareholders,

2025 was a tumultuous year fraught with uncertain tariffs, geopolitical conflicts and broader macroeconomic challenges. Developments in the Middle East further heightened market uncertainties, leading to a more cautious sentiment among both businesses and consumers. Against this backdrop, many individuals and businesses adopted a conservative perspective. We experienced weak market demand and prices on the supply side continued to be volatile with sudden unpredictable fluctuation. These adverse factors affected the performance of many businesses, especially if they are export oriented. Despite these headwinds, we remained resilient and continued to navigate the environment with discipline and adaptability. While the year was undeniably challenging, it also underscored the importance of our strong fundamentals and commitment to steering the company responsibly through changing market conditions.

The Year in Review

For 2025, the Group's recorded a loss attributable to owners of the Company of S\$0.52 million as compared to a profit of S\$2.05 million in prior year mainly attributable to lower turnover, reduced gross profit and gross profit margin from distribution of steel products and manufacturing of steel flanges businesses and higher loss recorded from associates in its environmental business.

The Group's revenue decreased by 24.40% from S\$47.64 million in 2024 to S\$36.02 million in 2025. This decrease in the Group's turnover was mainly attributed to fewer project sales secured and continued pressure from competitive steel prices in both the distribution of steel products and manufacturing of steel flanges businesses.

In contrast, the environmental business continued to provide stability for the Group's overall results. Despite slight dip in turnover and marginal drop in profit, its unique concession rights business model and the relatively stable operating business environment in PRC helped to maintain its steady performance in 2025.

In terms of liquidity, the cash and cash equivalents of the Group as at 31 December 2025 improved as compared to prior year, with a significant increase of 24.45% to S\$12.46 million. The increase was primarily due to improved collections from trade and other receivables and lower inventory levels, as a result of conservative strategies adopted by the Group.

The Group continued to maintain a healthy and positive working capital of S\$35.97 million or current ratio of 3.03 times with current assets of S\$53.70 million and current liabilities of S\$17.73 million as at 31 December 2025. Net gearing ratio was all-time low at 0.14 times at the end of 2025.

Chairman's Message

for the Financial Year Ended 31 December 2025

Repositioning the Group Manufacturing Business

Apart from maintaining the quality of *SHINSEI* products, the Group has focused on enhancing service delivery by reducing the lead time between order placement and product delivery. To support this objective, the Group is currently exploring options to complement its existing manufacturing facility in Penang, with the aim of improving delivery efficiency and responsiveness to customer requirements. The Group will continue to review its current operational setup to strengthen its market presence both locally and overseas.

Investing in the Future

While 2025 presented many challenges, it also offered many opportunities for the Group to reassess and strengthen its long-term position. Leveraging on this, the Group will make relevant investments aimed at delivering sustainable value.

The environmental business provided a more predictable revenue stream as compared to the distribution of steel products and the manufacturing of steel flanges businesses, balancing the Group's overall business stability. With increasing global emphasis on effective wastewater management and environmental protection, the Group views the prospects of the environmental business to maintain an uptrend.

The Group will continue to consolidate its resources and focus on refining its business processes to enhance productivity. With strong support as well as good working relationships with its business partners, the Group is optimistic that it can ride through year 2026 with greater confidence.

Dividend

The Board of Directors is pleased to propose a first and final one-tier tax-exempt dividend of 0.3 Singapore cents per share for the year ended 31 December 2025. The dividend will be paid out to shareholders upon approval at the annual general meeting.

A Word of Appreciation

In many ways, 2025 was tough. However, we are heartened by the continued support and trust placed in us by our staffs, customers, business partners and shareholders. Their support is pivotal in more ways than one. It is the foundation upon which we get the motivation to push for a better outcome. Therefore, we would like to take this opportunity to express our heartfelt gratitude.

Going forward, we are confident that with collective effort, we will be able to overcome the challenges ahead.

James Ow Chin Seng, BBM, PBM

Executive Chairman cum CEO

Board of Directors

Mr Ow Chin Seng, BBM, PBM

Executive Chairman cum CEO
Date of appointment: 31 March 1990
Date of last re-election: 30 April 2025

Mr Ow Chin Seng joined the Company in 1978. As Executive Chairman cum CEO, Mr Ow is primarily responsible for the business and strategic development of the Group. With over 40 years of experience in the hardware and steel industry, Mr Ow has been instrumental in the strategic direction and development of the Group.

Mr Ow is the past President of the Singapore-China Business Association, Council Member of SCCCI, Council member of Singapore-Zhejiang Economic & Trade Council and Permanent honorary president of Singapore Metal & Machinery Association. He is also active in public service activities, serving as a member on the committees of several public organisations, such as Patron of Bukit Gombak Constituency Citizen's Consultative Committee and Honorary Chairman of Singapore Wushu Dragon & Lion Dance Federation. He was awarded the title of Pingat Bakti Masyarakat (PBM) during the National Day Award Ceremony in 2007. He was also awarded the title of Bintang Bakti Masyarakat (BBM) during the National Day Award Ceremony in 2023.

Mr Ow Eei Phurn Benedict

Executive Director cum Sales Director
Date of appointment: 7 May 2021
Date of last re-election: 29 April 2024

Mr Benedict Ow worked in the Company as Finance Manager from 2004 to 2010 and left to pursue his own interest. In 2012, Mr Benedict Ow rejoined the Company and took on the role of Project Sales Manager and was promoted to Sales Director in March 2020. Mr Benedict Ow was subsequently appointed as an Executive Director in May 2021. His current roles are to assist the overall distribution business of the Group and managing the Group's supply chain operations. Mr Benedict Ow holds a Bachelor of Commerce from the University of Melbourne, Australia, and is a full member of CPA Australia.

Mr Ng Kim Keang

Executive Director cum Chief Operating Officer
Date of appointment: 3 January 2005
Date of last re-election: 27 April 2023

Mr Ng Kim Keang joined the Company in January 2003 as Financial Controller, and was promoted to Executive Director in January 2005 and Chief Operating Officer in March 2015. Currently, Mr Ng is responsible for managing the overall operations and the finance and accounting matters of the Group. Prior to joining the Company, Mr Ng worked in Deloitte & Touche, Malaysia, and Ernst & Young, Singapore. Mr Ng holds a Bachelor of Commerce from the University of Adelaide, Australia, and is FCPA Australia and FCA Singapore. He is appointed as Council member of Singapore-Zhejiang Economic & Trade Council in April 2025.

Board of Directors

Mr John Lim Geok Peng

Lead Independent Director

Date of appointment: 11 July 2017

Date of last re-election: 30 April 2025

Mr John Lim Geok Peng is the CEO of CPA Partnership Pte Ltd and CPA John Lim & Co. He graduated with a Bachelor of Accountancy from National University of Singapore and is a practicing member of the Institute of Singapore Chartered Accountant as well as CPA Australia.

Mr Lim is appointed as a lay person on the Inquiry Panel of the Legal Profession Act. Previously, Mr Lim was the Audit and Assurance Partner as well as HR and Training Partner at PKF-CAP LLP. He was also previously the Deputy Director and Head of the Practice Monitoring Division of ISCA, Co-Managing Director of a public accounting firm and CFO of a large non-profit organisation.

Ms Tan Poh Hong

Independent Director

Date of appointment: 26 July 2018

Date of last re-election: 29 April 2024

Ms Tan Poh Hong was the Chief Executive Officer of Agri-Food & Veterinary Authority (AVA) of Singapore from 2009 – 2017. She was instrumental in transforming and expanding the organisation's mandate to cater to new challenges facing the country. In particular, she built up the organisation's capabilities to manage and strengthen Singapore's food security.

Prior to her appointment at AVA, Ms Tan was the Deputy CEO of the Housing and Development Board (HDB) from 2004 to 2009. She also held various staff and operation headship positions throughout the HDB, including oversight of corporate governance, organisational development and transformation, human resource management, public communications, and community engagement. She holds a BSc (Hons) in Estate Management from the National University of Singapore (1981), and a Master of Business Administration (with Distinction) from New York University (1988). She was awarded the Public Administration Medal (Gold) in 2013, and the Public Service Medal in 1999 by the Singapore Government.

Mr Gan Thiam Poh

Independent Director

Date of appointment: 30 September 2019

Date of last re-election: 27 April 2023

Mr Gan Thiam Poh was appointed as an Independent Director of the Company on 30 September 2019. A veteran of the banking and finance industry, he brings over 35 years of extensive experience in financial services and corporate solutions to the board. Mr Gan held several senior roles at major regional financial institutions. He currently serves as a Senior Vice President in the DBS Private Banking and is responsible for advising ultra-high-net-worth clients. Parallel to his professional career, Mr Gan has a distinguished record of public service, having served as a Member of Parliament in Singapore from 2011 to 2025. During his tenure, he was a member of the Singapore Parliamentary Committee for Public Accounts and served on various Government Parliamentary Committees, including Transport, National Development, and Sustainability and the Environment. His international and diplomatic contributions include serving as the Vice Chair of the Singapore-India and South Asia Parliamentary Friendship Groups, as well as a member of the Europe Parliamentary Friendship Group. Mr Gan holds a Bachelor of Science degree from the National University of Singapore.

Group Structure

as at 31 December 2025

MANUFACTURING BUSINESS



DISTRIBUTION BUSINESS



ENVIRONMENTAL & ENGINEERING BUSINESS



- Investment Holding Company
- Rural Wastewater Treatment Business
- Industrial & Municipal Wastewater Treatment Business

Notes:

⁽¹⁾ Anxon Ecotech Pte Ltd, incorporated on 28 November 2024, is classified as a joint venture for consolidation purposes. As its financial results are not material to the Group, its financial statements have not been consolidated.

⁽²⁾ ChangXing XinYi Wastewater Treatment Co., Ltd was incorporated on 10 October 2025. The registered share capital remains unpaid and the entity has not commenced operations since the date of incorporation.

Operations Review

The Group achieved a profit before non-controlling interests of S\$1.00 million for the financial year ended 31 December 2025. However, after accounting for non-controlling interests, the Group reported a loss attributable to owners of the Company of S\$0.52 million as compared to a profit of S\$2.05 million recorded in the prior year. The loss attributable to owners was mainly due to fewer project sales secured and continued pressures from competitive steel prices, which affected both turnover and gross profit in the distribution of steel products and the manufacturing of steel flanges businesses. In contrast, environmental business continues to provide stability to the Group's overall results. Although it recorded a slight dip in turnover and a marginal drop in profit, its unique concession rights business model and the stable operating environment in PRC helped maintain steady performance.

The Group's revenue decreased by approximately S\$11.62 million or 24.40% from S\$47.64 million for the financial year ended 31 December 2024 ("FY2024") to S\$36.02 million for the financial year ended 31 December 2025 ("FY2025"). The decrease was mainly attributable to:

- significantly lower sales as a result of fewer project sales secured in the distribution of steel products business under the distribution division;
- significantly lower sales generated from the manufacturing of steel flanges business, driven by intensified competition as more local distributors import alternative sources of steel flanges to compete with our SHINSEI flanges; and
- slightly lower turnover from the environmental business division attributed to lower sales generated from industrial cum municipal wastewater treatment business in the PRC.

Distribution of Steel Products Business under Distribution Division

The distribution division registered a lower sales to external parties of S\$20.64 million in FY2025, compared to S\$28.75 million in the prior year. This decline was primarily attributable to fewer project sales secured and continued pressures from competitive steel prices.

Based on disaggregation of revenue by geographical markets, sales to Singapore, Malaysia and Indonesia decreased by S\$4.17 million, S\$4.16 million and S\$1.31 million respectively for the reasons explained above.

Gross profit decreased in tandem with lower revenue for the reasons explained above.

Manufacturing of Steel Flanges Division

Similar to the distribution business, the manufacturing of steel flanges business also experienced a decrease in turnover of S\$1.84 million to external parties, primarily due to continued pressures from competitive steel prices.

Gross profit decreased in tandem with lower revenue for the reasons explained above. The decrease in gross profit margin in the manufacturing of steel flanges business also led to lower gross profit, as a result of adjustments in selling price in response with fierce competition within Malaysia market.

Environmental Business Division

The environmental business remained a key contributor to the Group's performance, recording sales to external parties of S\$13.29 million in FY2025, compared to S\$14.98 million in the prior year. The decline in revenue was mainly due to lower sales in the industrial and municipal wastewater treatment business in the PRC. Notwithstanding the softer revenue performance, the industrial and municipal wastewater treatment operations under the Build-Own-Transfer ("BOT") and Build-Own-Operate ("BOO") models in the PRC continued to deliver steady profit contributions during the year. These contributions were, however, partially offset by a higher share of losses from the rural wastewater treatment business under Engineering Procurement and Construction ("EPC") model, which is accounted for as an associate. The share of losses from this associate amounted to S\$0.44 million (FY2024: S\$0.22 million), mainly due to fewer completed and delivered projects during the year, as well as a one-off provision for doubtful debts on interest income from a shareholder's loan.

Financial Position Review

The Group maintained a healthy and positive working capital of S\$35.97 million or current ratio of 3.03 times with current assets of S\$53.70 million and current liabilities of S\$17.73 million as at 31 December 2025. The cash and cash equivalents as at 31 December 2025 increased by S\$2.45 million to S\$12.46 million.

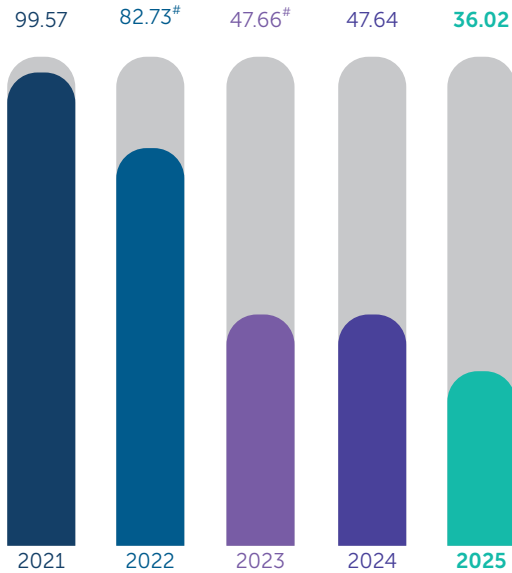
Operating activities generated significant positive cash flows amounting to S\$7.28 million in the current year, driven primarily by improved receivables collections, as well as a lower inventory levels. Cash flows used in investing activities of S\$1.30 million mainly due to additions of intangible assets amounting to S\$0.38 million for the upgrading of plants within the environmental business and purchase of property, plant and equipment amounting to S\$0.89 million for the distribution of steel products and manufacturing of steel flanges business. Financing activities have recorded a net cash outflow of S\$3.38 million mainly due to net loan repayments of S\$1.57 million, payments towards obligation under lease liabilities of S\$0.37 million and dividend payment to non-controlling interests of S\$1.35 million.

The Group's net asset per share as at 31 December 2025 was 22.40 cents and basic loss per share was 0.18 cents.

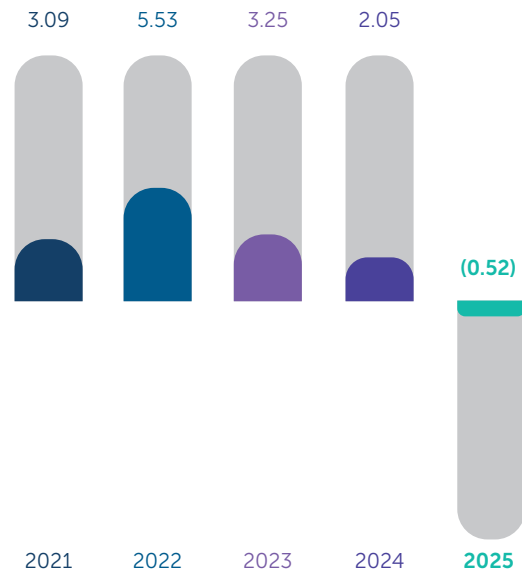
The Group will continue to manage its capital by optimising the balance between debt and equity to maximise long-term shareholder value.

Financial Highlights

Turnover
(S\$ Million)

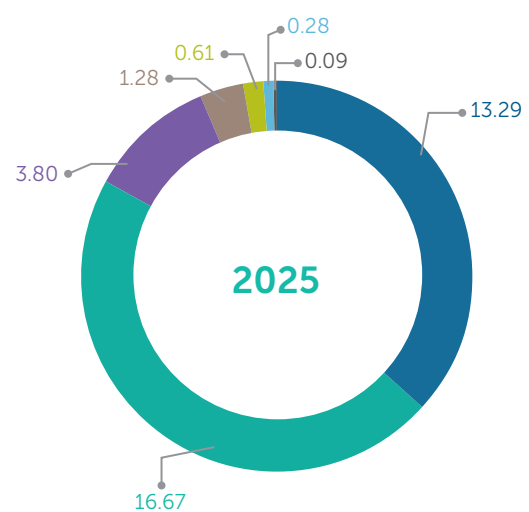
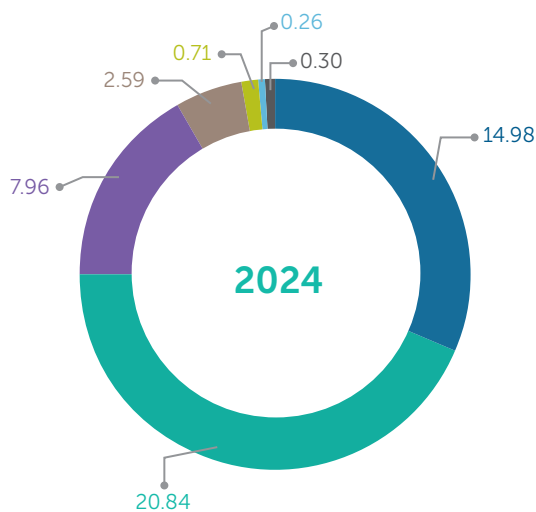


Net Profit/(Loss) Attributable to Owners of the Company
(S\$ Million)



Excludes the revenue from discontinued operations of S\$5.08 million and S\$2.74 million in FY2022 and FY2023 respectively

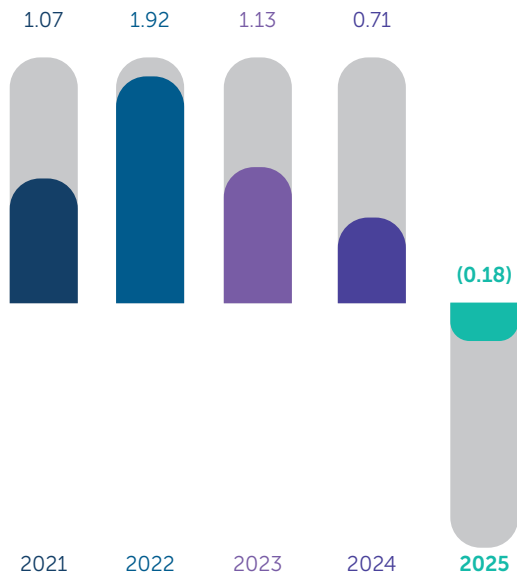
Turnover by Geographical Area
(S\$ Million)



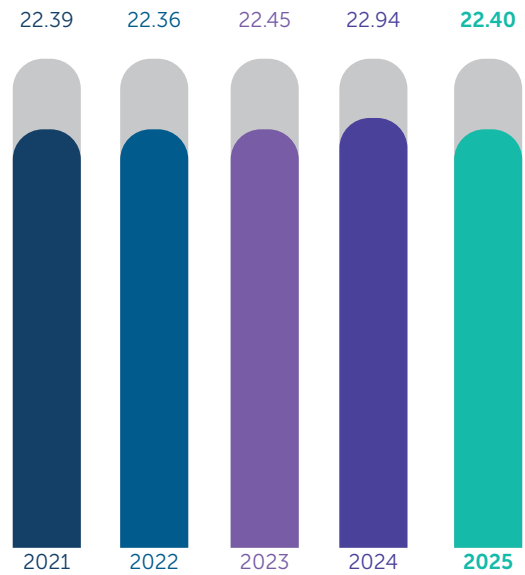
● China ● Singapore ● Malaysia ● Indonesia ● Australia ● New Zealand ● Others

Financial Highlights

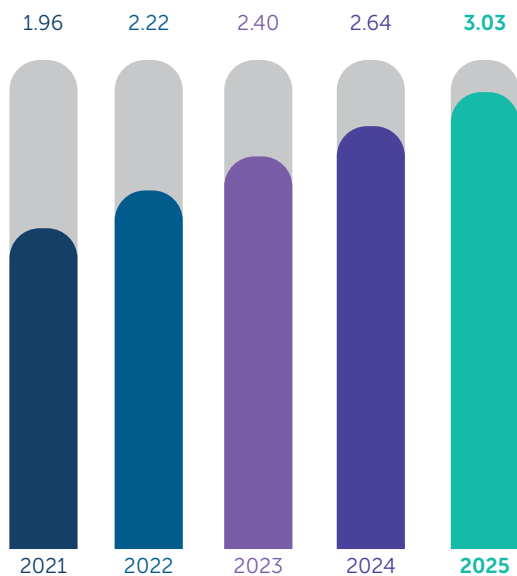
Earnings/(Loss) per Share
(Cents)



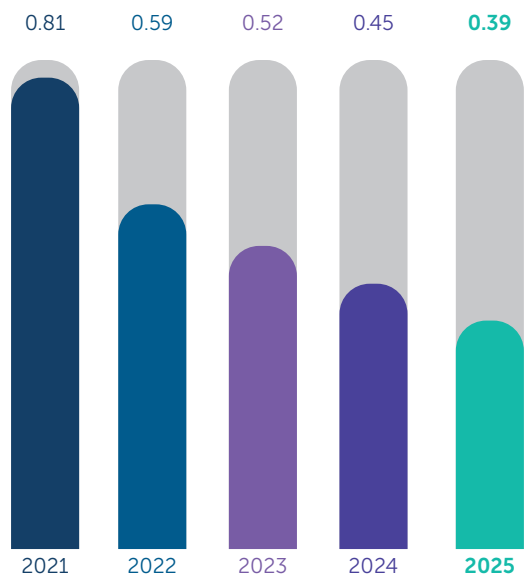
Net Assets per Share
(Cents)



Current Ratio
(Times)



Gearing Ratio
(Times)



Current Ratio is calculated as current assets divided by current liabilities.
Gearing Ratio is calculated as total liabilities divided by total equity.

Financial Contents

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Corporate Governance Report

The Board of Directors (the “**Board**”) of AnnAik Limited (the “**Company**”) is committed to place high standards of corporate governance and transparency within the Company and its subsidiaries (collectively referred to as the “**Group**”). The Board believes that good corporate governance includes an ethical environment and enhances the interest of all shareholders. This includes establishing an appropriate culture, values and ethical standards of conduct at all levels of the Company.

This corporate governance report (the “**Report**”) outlines the corporate governance framework and practices of the Company with specific reference made to the principles and guidelines of the Code of Corporate Governance 2018 (last amended on 11 January 2023) (the “**Code**”) and the accompanying Practice Guidance and other applicable laws, rules and regulations, including the Catalist Rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (“**Catalist Rules**”).

The Board confirms that for the financial year ended 31 December 2025 (“**FY2025**”), the Company has adhered to the principles and guidelines as outlined in the Code and where there are deviations from the Code, appropriate explanations are provided in the relevant sections. The Company will also continue to enhance its corporate practices appropriate to the conduct and growth of its business and to review such practices from time to time.

BOARD MATTERS

The Board’s Conduct of Affairs

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

The Company is headed by an effective Board, comprising individuals with diversified backgrounds and who collectively brings with them, extensive business, legal and financial experience to lead and contribute to the success of the Group. The Board oversees the business activities, overall management, formulates strategic direction and performance of the Group and is primarily responsible for protecting and enhancing long-term value and returns for shareholders and stakeholders.

Apart from its statutory responsibilities, the principal functions of the Board include, *inter alia*, to:

- (a) review and approve corporate strategies, financial objectives and directions of the Group;
- (b) establish goals for management and monitor the achievement of these goals;
- (c) ensure management leadership of high quality, effectiveness and integrity;
- (d) approve annual budgets, major funding proposals and investment proposals;
- (e) review internal controls, risk management, financial performance and reporting compliance;
- (f) assume responsibility for corporate governance; and
- (g) consider sustainability issues, including environmental and social factors, as part of the Group’s strategic formulation.

The Board makes decisions on material matters such as major funding proposals, acquisitions and divestments, disposal of major assets, corporate or financial restructuring, share issuances, dividends, annual budgets and financial plans of the Group, half yearly and annual financial reports, internal controls and risk management strategies and execution and other matters which require the Board’s approval as specified under the Company’s internal policies and procedures. All matters that require the Board’s approval have been clearly communicated to the Management in writing by circulating the resolutions or recording in the minutes of the board meeting.

While matters relating to the Company’s objectives, strategies and policies require the Board’s direction and approval, the Management is responsible for the day-to-day operation and administration of the Company in accordance with the objectives, strategies and policies set by the Board.

Corporate Governance Report

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company and hold the Management accountable for performance. The Board puts in place a code of conduct and ethics, sets the appropriate tone and desired organisational culture, and ensures proper accountability within the Company. The Board has set up procedures for dealing with conflicts of interest. Every Director of the Company is required to disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as practicable after the relevant facts have come to his or her knowledge. Where any Director faces a conflict of interest, he or she shall abstain from voting, and would recuse himself or herself from discussions or and decisions making involving the issues of conflict and related matters.

Board Processes

The Board meets on a regular basis as and when necessary, to address any specific significant matters that may arise. The Constitution of the Company (the “**Constitution**”) allows board meetings to be conducted by way of telephone conference or by means of similar communication equipment enabling all participants in the meeting to communicate simultaneously and instantaneously. The Board meets to review and discuss corporate strategies, key activities and major issues of the Group. The Board also ensures that effective management is in place and oversees the proper conduct of the Group’s business.

To ensure that specific issues are subject to considerations and review before the Board makes its decisions, the Board is supported by the Board Committees, namely, Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”), responsible for making recommendations to the Board. These Board Committees operate within clearly written terms of reference, setting out their compositions, authorities and duties. The Chairman of each of the Board Committee reports to the Board on the outcome of the Board Committees’ meetings. The terms of reference play an important role in ensuring good corporate governance in the Company and within the Group and will be reviewed by the respective Board Committees on a regular basis to enhance the effectiveness of these Board Committees. The minutes of all Board and Board Committees’ meetings, which provide a fair and accurate record of the discussion and key deliberations and decisions taken during the meetings, are circulated to the Board and Board Committees. The roles and responsibilities of these Board Committees are provided for in the latter sections of this Report. While these Board Committees are delegated with certain responsibilities and report to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

During FY2025, the Board held four meetings to review the Group’s business operations and financial performance. The Board also approves transactions through circular resolutions, which are circulated to the Board together with all relevant information relating to the proposed transaction.

The calendar of Board and Board Committees meetings are planned in advance. The agenda for meetings is prepared in consultation with the Executive Chairman, the Executive Directors and/or the Chairman of the Board Committees. The agenda and meeting materials are circulated in advance of the scheduled meetings.

To assist the Board in fulfilling its responsibilities, the members of the Board are provided with relevant materials on budgets, forecasts, internal financial statements, material events and transactions complete with background and explanations in a form and quality appropriate to facilitate the Board to make an informed decision prior to each board meeting. In respect of budgets, any material variance between the projections and actual results would be disclosed and explained during the meeting. Directors are also informed of any significant developments or events relating to the Group on an ongoing basis.

The board papers are sent to Directors in advance for the Directors to be adequately prepared for the meeting. In addition, the Independent Directors have separate and independent access to the Group’s senior management and the advice and services of the Company Secretary and their representatives who provide the Directors with regular updates on the requirements of the Companies Act and all the rules and regulations of the SGX-ST at the Company’s expense, where necessary. The decision to appoint or remove the Company Secretary is made by the Board as a whole. There were no changes in the Company Secretary during the financial year.

The Company Secretary and their representatives attend all Board and Board Committee meetings, and assist the Chairman of the Board and Board Committees in ensuring that the relevant procedures are followed and reviewed such that the Board and Board Committees function effectively. The Company Secretary and their representatives also ensure that the requirements of the Companies Act and all other rules and regulations of the SGX-ST are complied. During FY2025, the Directors attended seminars that they find useful to better perform their duties.

Corporate Governance Report

The Board in exercising its responsibilities could as a group or as individuals, when deemed fit, direct the Company to seek independent professional advice, in the furtherance of their duties and at the Company's expenses.

The number of meetings and the participation of each individual Directors at the meetings held in FY2025 are disclosed in the table reflected below:

Name of Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee		Annual General Meeting	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Mr Ow Chin Seng	4	4	2	2*	1	1	1	1*	1	1
Mr Ow Eei Phurn, Benedict	4	4	2	2*	1	–	1	–	1	1
Mr Ng Kim Keang	4	4	2	2*	1	–	1	–	1	1
Mr Lim Geok Peng	4	4	2	2	1	1	1	1	1	1
Ms Tan Poh Hong	4	3	2	1	1	1	1	1	1	1
Mr Gan Thiam Poh	4	4	2	2	1	1	1	1	1	1

Note:

* Attendance by invitation

The Directors were appointed based on their experience, qualifications, stature and potential contribution to the proper guidance of the Group and its businesses. Each individual Director's contributions can be reflected in ways other than the reporting of attendances at board meetings and/or Board Committees meetings.

When a Director has multiple board representations, the NC will consider whether the Director is able to adequately carry out his/her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. While some of the current board members are on multiple boards, the NC is satisfied that currently the Directors have been able to devote sufficient time and attention to the affairs of the Group and that they are able to satisfy their duties as Directors to the Company.

Director Orientation and Training

The Directors are provided with extensive background information about the Group's history, mission, values and business operations with their roles as Executive and Independent Directors. The Directors have the opportunity to visit the Group's operations and facilities and meet with the Management for further explanation, briefings or discussion on key aspects, to gain insight for a better understanding of the Group's business and operations.

The Company will conduct comprehensive and tailored induction orientation programmes to familiarise newly appointed Directors with the various businesses, operations and processes of the Group. Newly appointed Directors will be provided with a formal letter setting out their duties and obligations and upon his/her appointment, be given opportunities to receive appropriate training to ensure that they are fully aware of their responsibilities and obligations of being a Director of public listed company in Singapore. There was no new Director appointed during the financial year.

The aim of the orientation program is to give Directors a better understanding of the Company's businesses and allow them to assimilate into their new roles. The new Director is also informed about matters such as the Code of Dealing in the Company's securities. Changes to regulations and accounting standards are monitored closely by the Management. In order to keep pace with such regulatory changes, the Company provides opportunities for ongoing training on board processes and best practices as well as updates on changes in legislation and financial reporting standard, regulations and guidelines from SGX-ST that affect the Company and/or the Directors in discharging their duties effectively.

Corporate Governance Report

The Directors attend seminars and receive relevant training programmes and courses to keep abreast of current developments and updates on changes in relevant regulations, accounting standards, corporate governance practices and guidelines from the SGX-ST to properly discharge their duties as Directors. In order to keep pace with such regulatory changes, the changes to regulations and accounting standards are monitored closely by the Management. The Company is responsible for arranging and funding the appropriate training and development programmes for the Directors and/or key management personnel of the Company, where relevant.

The Company had arranged for all the Directors to undergo training on sustainability matters as prescribed under Rule 720(6) of the Catalist Rules, and all Directors have completed the training.

The Board as a whole is updated regularly on risk management, corporate governance, insider trading (if any) and key changes to the relevant regulatory requirements and financial standards, so as to enable them to properly discharge their duties as Board or Board Committee members. Our Independent Directors are also engaged full time in their respective professions, keeping themselves updated in their fields of knowledge.

News releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority (“ACRA”), which are relevant to the Directors are circulated to the Board. The Company Secretary and their representatives inform the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. The Company Secretary and their representatives together with the Management also assist the Directors in ensuring the compliance with their obligations under the relevant rules and regulations, and in the Directors’ professional development to ensure that the Directors make informed decisions and discharge their duties and responsibilities. The External Auditors update the AC and the Board on new and revised financial reporting standards annually.

Board Composition and Guidance

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

As at the date of this Report, the Board comprises six Directors, consisting of the Executive Chairman, who is also the Chief Executive Officer (“CEO”), two Executive Directors and three Non-Executive and Independent Directors as follows:

Name of Director	Designation	Date of First Appointment as Director	Date of last re-election as Director	Present Directorships in other Listed Companies and other Principal Commitments	Past Directorships in other Listed Companies and other Principal Commitments held over preceding five years
Ow Chin Seng	- Executive Chairman and Chief Executive Officer - Member of Nominating Committee	31 March 1990	30 April 2025	–	–
Ow Eei Phurn, Benedict	Executive Director and Sales Director	7 May 2021	29 April 2024	–	–
Ng Kim Keang	Executive Director and Chief Operating Officer	3 January 2005	27 April 2023	–	–

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Name of Director	Designation	Date of First Appointment as Director	Date of last re-election as Director	Present Directorships in other Listed Companies and other Principal Commitments	Past Directorships in other Listed Companies and other Principal Commitments held over preceding five years
Lim Geok Peng	• Non-Executive and Lead Independent Director • Chairman of Audit Committee • Member of Nominating Committee and Remuneration Committee	11 July 2017	30 April 2025	• CPA Partnership Pte. Ltd. • CPA John Lim & Co. • CPA Advisory LLC • Gendiesel Singapore Pte. Ltd. • Talon Energy Pte. Ltd. • McDonald Pelz Global Commodities Asia Pte. Ltd. • Manus Bio Singapore Pte. Ltd. • Eurowood Pte. Ltd. • Pharlap Holdings Pte. Limited • Kalamia Asia Pte. Ltd. • Broad Bay Collective Pte. Ltd. • Beach Cove Capital Pte. Ltd. • Isle of US Productions Pte. Ltd. • Monson Production Pte Ltd • White Label Pte Ltd • Weathernews Singapore Pte Ltd • Agellus Pte Ltd	• PKF-HT Khoo PAC • PKF-ACPA Management Consultants Pte. Ltd. • PKF-CAP Risk Consulting Pte. Ltd. • PKF-CAP Advisory Partners Pte. Ltd. • PKF-Khoo Management Services Pte. Ltd. • PKF-CAP Tax Solutions Pte. Ltd. • PKF-CAP LLP • Asian Photovoltaic Industry Association Limited • Follow Me International Exhibition Pte. Ltd.

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Name of Director	Designation	Date of First Appointment as Director	Date of last re-election as Director	Present Directorships in other Listed Companies and other Principal Commitments	Past Directorships in other Listed Companies and other Principal Commitments held over preceding five years
Tan Poh Hong	• Non-Executive and Independent Director • Chairman of Remuneration Committee • Member of Nominating Committee and Audit Committee	26 July 2018	29 April 2024	• APAC Realty Limited • VICOM Ltd • Centurion Corporation Limited • Sheng Siong Group Ltd. • OTS Holdings Limited	• Barramundi Group Ltd.
Gan Thiam Poh	• Non-Executive and Independent Director • Chairman of Nominating Committee • Member of Remuneration Committee and Audit Committee	30 September 2019	27 April 2023	• Soon Hock Enterprise Holding Limited	–

Profiles of the Directors are found in the **"Board of Directors"** section of the Annual Report.

The Company maintains a strong and independent element on the Board with the Independent Directors constituting half of the Board. The Board has adopted the criteria on the Independent Director given in Provision 2.1 of the Code and Rule 406(3)(d) of the Catalist Rules. The independence of each Independent Director is reviewed annually by the NC and the Board in accordance with the Code's definition of independence. Each Independent Director is required to complete a 'Confirmation of Independence' form to confirm his/her independence. The form, which was drawn up based on the definitions and guidelines set forth in the Code and the NC Guidebook issued by the Singapore Institute of Directors, requires each Director to assess whether he/she considers himself/herself independent despite not having any of the relationships defined in the Code. Based on the confirmation of independence submitted by the Independent Directors, the NC was of the view that each Independent Director is independent on the following basis:

- The Independent Directors have confirmed that they do not have any relationship with other Directors, the Company, its related corporations, its substantial shareholders or its officers that could, interfere or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company, and they are able to exercise objective judgment on corporate affairs independently from the Management and its substantial shareholders.
- The Independent Directors and their immediate family members are not and have not been employed by the Company or any of its related corporations in the current or any of the past three financial years, and whose remuneration is determined by the RC.
- None of the Independent Directors have served on the Board beyond nine years from the date of his/her appointment. Mr Lim Geok Peng will be approaching his nine-year tenure on 11 July 2026 and will therefore be considered not independent upon the conclusion of the annual general meeting for the financial year ending 31 December 2026. To facilitate Board renewal process, Mr Lim Geok Peng has tendered his resignation and shall step down as an Independent Director of the Company at the conclusion of the forthcoming AGM.

The Company is in the process of identifying a candidate and will endeavour to fill the vacancy of the respective Board Committees within 2 months, and in any case, no later than 3 months.

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- (d) None of the Independent Directors and their immediate family members had in the current or immediate past financial year (i) provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S\$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organisation which provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S\$200,000 for services rendered.
- (e) None of the Independent Directors are directly associated with a substantial shareholder of the Company in the current or immediate past financial year.

As the Chairman is not an Independent Director, half of the Board is made up of Independent Directors. Notwithstanding the Independent Directors and Non-Executive Directors do not make up a majority of the Board as set out in Provisions 2.2 and 2.3 of the Code respectively, the Board and the NC are satisfied that the current Board has substantial independent elements to ensure that objective judgment is exercised on corporate affairs. The Independent Directors provide a check and balance to the Board as they are not involved in the day-to-day operations of the Company and the Group. The Board has a Lead Independent Director who plays an additional facilitative role within the Board, and where necessary, facilitates communication between the Board and shareholders or other stakeholders of the Company.

Matters requiring the Board's approval are discussed and deliberated with participation from each member of the Board and all major decisions are made collectively. There is no individual or small group of individuals that dominate the Board's decision-making process. Nevertheless, the NC will endeavor to comply with Provisions 2.2 and 2.3 of the Code by assessing the board composition from time to time and make appropriate recommendations to the Board.

Having reviewed its size, the Board is of the view that:

- (a) the present size of the Board is adequate and effective for the decision making given that the Independent Directors form at least half of the board composition which provides a strong independent element on the Board; and
- (b) the composition of Directors is reviewed annually by the NC as a whole which provides core competencies necessary to meet the Group's requirements with an appropriate balance and mix of skills, experiences, knowledge and other aspects of diversity such as gender and age, taking into account the following:
 - i. the nature and scope of the Group's operations; and
 - ii. the Independent Directors are respected individuals from different backgrounds whose core competencies, qualifications, skills and experiences are extensive and complementary, enabling the Board to benefit from diverse perspectives on issues brought before it.

The NC deliberated and concluded that the Board has an independent character and is providing robust independent oversight consistent with the intent of recommendations of the Code. The Company has a good balance of Directors with a wide range of skills, experiences and qualities in the fields of operations, management, financial, legal and accounting. Each Director has been appointed on the strength of their own calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group's strategy and the performance of its business.

Notwithstanding the above, the Board is committed to the composition with a majority of Independent Directors and is conducting an ongoing search for suitably qualified candidates with diligence in accordance with our commitment to upholding the highest standards of corporate governance.

During the financial year, the Independent Directors met once, without the presence of Management in order to facilitate a more effective review on Management and feedback is thereafter provided to the Executive Chairman, Executive Directors and Management to discuss the performance of the Management and any matters of concern.

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The Board has adopted a Board Diversity Policy on 15 December 2022 to assist the NC and the Board in identifying prospective candidates for Directorship that meet the criteria as determined by the NC and that support the diversity's objectives. The Board Diversity Policy promotes the diversity among the Directors in order to improve performance. Specifically, under the Board Diversity Policy, diversity has been considered from a wide range of aspects, including but not limited to skills, business and industry experience, gender, age, ethnicity, geographic background, length of service, and other distinctive qualities of the board members.

The Company recognises that an effective Board requires Directors to possess not only integrity, commitment, relevant experiences, qualifications and skills in carrying out their duties effectively but also includes diverse background towards promoting good corporate governance. The NC will discuss and agree annually on the measurable objectives for promoting and achieving diversity on the Board and make recommendations for consideration and approval by the Board. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly. The NC will review and, where appropriate, modify the Board Diversity Policy periodically to ensure effective governance of the Company.

As of the date of this Report, the Company has maintained gender diversity, with 1 out of 6 Directors being female, representing approximately 17% female representation on the Board, ensuring adequate female representation and contribute to a broader range of perspectives in the Board's deliberation. The current Board also comprises members from diverse age groups which enriches its deliberations and contributes to well-rounded, strategic decision-making aligned with the Company's objective. In concurrence with the NC, the Board is of the view that the current board members have the appropriate structure, diversity and composition to provide effective guidance and make decisions in the best interest of the Group, which is consistent with the intent of Principle 2 of the Code.

Board Diversity Criteria	No. of Members	Proportion of board as at the date of this Report
Independence		
– Executive	3	50%
– Non-Executive and Independent	3	50%
Gender		
– Male	5	83%
– Female	1	17%
Age		
– 40 to 50 years	1	17%
– 50 to 60 years	1	17%
– 60 to 70 years	3	49%
– 70 to 80 years	1	17%
Length of service		
– Below 9 years	4	67%
– Above 9 years	2	33%
Core competencies		
– Accounting or finance	3	50%
– Corporate and business management	6	100%
– Industry knowledge	6	100%
– Strategic planning	6	100%

Nonetheless, if a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new Director, the NC will recommend the Board consider the appointment of a new Director that has the required skillset, expertise, experience and knowledge as and when it deems necessary. The final decision on the selection of directors will be based on merit against the objective criteria set and after giving due regard to the benefits of diversity on the Board. The Board is of the view that the current members of the Board, collectively as a group, provide an appropriate mix and balance of diversity of skills, experience, independence, gender and age.

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As the NC has assessed the current level of diversity on the Board to be satisfactory, the Company generally does not set a fixed timeline for achieving board diversity targets. Instead, the Company views maintaining a satisfactory level of diversity as an ongoing process. The Board's diversity targets are assessed from time to time, based on the composition of the Board and operations of the Group at the relevant time. The profile of each Director including their academic and professional qualifications and other appointments is presented on pages 4 to 5 of this Annual Report.

Although all the Directors have an equal responsibility for the Group's operations, the Independent Directors play an important role (i) in ensuring that the strategies proposed by the Management are constructively challenged, fully discussed and rigorously examined and developed by taking into account the long-term interests of the shareholders and (ii) in reviewing the performance of Management in meeting agreed goals and objectives and monitoring the performance reporting.

To-date, none of the Independent Directors of the Company have been appointed as a Director of the Company's principal subsidiaries, in Singapore or overseas.

Chairman and Chief Executive Officer

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

The roles of Chairman and Chief Executive Officer ("CEO") are assumed by Mr Ow Chin Seng. As the CEO, he is responsible for day-to-day operations of the Group. Mr Ow Chin Seng plays an instrumental role in charting the direction and strategic development of the Group and formulates business strategies and the development of the Group.

The Board establishes and sets out the division of responsibilities between the Chairman and CEO. As the Executive Chairman, Mr Ow Chin Seng leads the Board and is responsible for the effectiveness of the Board including:

- scheduling of meetings (with the assistance of the Company Secretary and their representatives) to enable the Board to perform its duties while not interfering with the flow of the Group's operations;
- setting the meeting agenda of the Board;
- ensuring that board meetings are held, when necessary;
- facilitating contributions from the Independent Directors and encouraging constructive relationships between the Directors;
- exercising control over the quality, quantity and timely flow of information between the Management and the Board;
- ensuring and fostering constructive and effective communication with shareholders;
- promoting a culture of openness and debate at the Board; and
- promoting high standards of corporate governance with full support from the Directors and Management.

As the CEO, Mr Ow Chin Seng is responsible for the effectiveness of the Group including:

- day-to-day management of the business;
- setting business directions and ensuring efficiency of the Group;
- formulating and overseeing the execution of the Group's corporate and business strategies set out by the Board; and
- ensuring that the Directors are kept updated and informed of the Group's business.

Corporate Governance Report

The Board noted that Provision 3.1 of the Code requires the Chairman and the CEO to be separate persons in order to ensure appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. In view of the recommendation of the Code, Mr Ow Eei Meng, Benjamin was appointed as the Deputy CEO of the Company and its subsidiaries to assist the CEO together with Mr Ng Kim Keang, the Chief Operating Officer ("COO") of the Company to run the overall day-to-day operations of the Group. Currently, the function of the Chief Financial Officer is subsumed by the COO of the Company. The Independent Directors currently form half of the Board and exercise objective judgement on corporate matters impartially, thus ensuring a balance of power and authority. Although the roles and responsibilities of both the Chairman and CEO are vested in Mr Ow, major decisions are made in consultation with the Board and the Board is of the opinion that the process of decision making by the Board has a strong independent element and provides for collective decisions without any individual or small group of individuals dominating the Board's decision making.

As the Chairman is not independent, in line with the recommendation of Provision 3.3 of the Code, Mr Lim Geok Peng had been appointed as the Lead Independent Director of the Company to provide leadership in situation where the Chairman is conflicted, and particularly where the Chairman is not independent. This is to promote high standards of corporate governance and effective communication between the shareholders and the Company. Mr Lim Geok Peng is available to shareholders who may have concerns with regards to the Group at email address john.lim@cpa-partnership.com.sg and for which contact through the normal channels of communication with the Chairman or Management has failed to resolve issues or for which such contact is inappropriate or inadequate. Subsequent to Mr Lim Geok Peng's resignation, persons with concerns may contact other Independent Directors of the Board.

As at the date of this Report, no query or request on any matter which requires the Lead Independent Director's attention was received.

The Independent Directors, led by Mr Lim Geok Peng meet at least once annually without the presence of the Management to discuss matters of significance, which are thereon reported to the Chairman accordingly. Hence, the Board believes that notwithstanding the Chairman and CEO are the same person, the current composition of the Board is able to make objective and prudent judgement on the Group's corporate affairs. Major proposals and decisions made by the Board are subject to majority approval by the members of the Board and reviewed by the relevant Board Committee. Taking into account the foregoing and the current corporate structure, size, nature and scope of the Group's operations, the Board is of the view that it is presently not necessary to separate the roles of the Chairman and with the responsibilities of the CEO as set out in Provision 3.1 of the Code, and there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and are based on collective decisions without any individual exercising considerable concentration of power or influence.

Board Membership

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

The Company has established the NC to make recommendations to the Board on all board appointments and re-appointments. As at the date of this Report, the NC comprises four Directors, majority of whom are Non-Executive and Independent Directors:

Mr Gan Thiam Poh (Chairman)
Mr Lim Geok Peng (Member)
Ms Tan Poh Hong (Member)
Mr Ow Chin Seng (Member)

The Company is in compliance with Provision 4.2 of the Code, where Mr Lim Geok Peng, the Lead Independent Director of the Company, is also the member of the NC.

The NC Chairman has no relationship (direct or indirect) with the Company, its related corporations, its substantial shareholders or its officer and is not directly associated with the substantial shareholders that could interfere, or be reasonably perceived to interfere, with the exercise of his independent judgement in the best interest of the Company.

Corporate Governance Report

The NC is regulated by its terms of reference and its key responsibilities include:

- (a) reviewing, assessing and recommending to the Board of all board appointments, re-appointments and nomination of Directors (including Alternate Directors, if any), having regard to their contributions and performances based on a formal and transparent process;
- (b) determining annually whether or not a Director is independent in accordance with the Code and any other salient factors;
- (c) reviewing regularly the board structure, size and composition having regard to the scope and nature of the operations, the requirements of the business, the diversity of skills, experience, gender and knowledge of the Company and the core competencies of the Directors as a Group to avoid groupthink and foster constructive debate, and are of 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 and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge;
- (d) setting the objectives for achieving board diversity and reviewing the Company's progress towards achieving these objectives;
- (e) deciding whether or not a Director is able to and has been adequately carrying out duties as a Director, where a Director holds a significant number of listed company directorships and principal commitments which involve significant time commitment, to provide a reasoned assessment of the ability of the Director to diligently discharge his/her duties, taking into consideration the Director's number of listed company board representation and other principal commitments;
- (f) deciding the manner and criteria for evaluation of the performance of the Board, its Board Committees and individual Directors in which their performance may be evaluated and propose objective performance criteria for the Board's approval;
- (g) reviewing the training and professional development programmes for the Board and its Directors; and
- (h) making recommendations to the Board on the review of succession plans for all Directors, in particular the appointment and/or replacement of the Chairman, CEO and the key management personnel.

In accordance with Rule 720(4) of the Catalist Rules, all Directors must submit themselves for re-nomination and re-election at least once every three years. Pursuant to Regulation 121 of the Constitution, one-third of the Directors are required to retire and submit themselves for re-election by shareholders at each Annual General Meeting ("**AGM**"). In addition, Regulation 125 of the Constitution provides that every new Director must retire and submit themselves for re-election at the next AGM of the Company following his or her appointment during the year. A retiring Director is eligible for re-election at the meeting at which he or she retires.

The NC held one meeting during the financial year. The Independent Directors are required to 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. The NC has reviewed the independence of Mr Lim Geok Peng, Ms Tan Poh Hong and Mr Gan Thiam Poh in accordance with the Code's definition of independence and is satisfied that there are no relationship which would deem any of them not independent. More details are set out under Principle 2 of the Code.

Currently, the Company does not have any Alternate Director being appointed to the Board.

The NC decides how the Board's performance is evaluated and proposes objective performance criteria, subject to the approval of the Board, which addresses how the Board has enhanced long-term shareholders' value. The Board also implemented a process to be carried out by the NC to evaluate the effectiveness of the Board as a whole and its Board Committees annually.

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Despite some of the Directors having multiple board representations, the NC has reviewed the directorships of the Directors and is satisfied that these Directors are able to, and have adequately carried out their duties as Directors of the Company after taking into consideration the number of listed company board representations and other principal commitments of these Directors. Currently, the NC and Board do not limit the maximum number of listed company board representations which any Director may hold as long as each of the board member is able to commit his or her time and attention to the affairs of the Company. The NC and Board believe that each individual Director is best placed to determine and ensure that he or she is able to devote sufficient time and attention to discharge his or her duties and responsibilities as a Director of the Company, having regard to his or her other principal commitments.

In respect to FY2025, the NC conducts an annual review of the balance, diversity and size of the Board to determine any changes are required in relation to the board composition. Where new Directors are required, the NC will identify, evaluate and select suitable candidates for new directorships. The NC considers factors such as ability of the prospective candidates to contribute to discussions, the composition of the Board including the mix of expertise, skills and attributes to the existing Directors so as to identify needed and/or desired competencies to supplement the Board's existing attributes. After the Board endorsed the attributes, the NC taps into the resources of the Directors' contacts and/or engages external consultants to source for potential candidates. The NC will review and shortlist candidates and provide a recommendation for Board's approval.

The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs during FY2025 and is satisfied that Directors are able to and have adequately carried out his or her duties as Directors of the Company and has contributed to the effectiveness of the Board as a whole and its Board Committees.

With regard to the re-election of existing Directors each year, the NC advises the Board of those Directors who are retiring or due for consideration to retire in accordance with the Constitution of the Company. A retiring Director is eligible for re-election by the shareholders of the Company at the AGM, and prior to nominating a retiring Director for re-election, the NC will evaluate the Director's contribution and performance taking into consideration factors such as attendance, preparedness, participation and any other factors as may be determined by the NC.

Each member of the NC shall abstain from voting on any resolutions and making recommendations and/or participating in any deliberations of the NC in respect of his/her re-nomination as a Director. Pursuant to Regulation 121 of the Constitution, Mr Ng Kim Keang and Mr Gan Thiam Poh have been nominated for re-election at the forthcoming AGM (the "**Retiring Directors**"). The Retiring Directors, being eligible, have offered themselves for re-election and have abstained from voting on the resolutions and making recommendations and/or participating in any deliberations in respect of his re-nomination as a Director. The details of the Directors seeking for re-election are found in Table A set out on pages 36 to 37 of this Annual Report.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole and that of each of its Board Committees and individual Directors.

In line with the principles of good corporate governance, the Board has implemented a formal annual process to be carried out by the NC to evaluate the effectiveness of the Board as a whole, its Board Committees and individual Directors. The appraisal process focused on a set of objective performance criteria for the board evaluation that includes an evaluation of the size and composition of the Board, the Board's access to information, accountability, board processes, board performance in relation to discharging its principal responsibilities, communication with the key management personnel and standards of conduct of the Directors. This encourages constructive feedback from the Board and leads to enhancing its performance over time.

In assessing the Board's performance as a whole and its Board Committees, both quantitative and qualitative criteria are considered. Such criteria include considerations of the Company's share price performance over a five-year period vis-à-vis the Singapore Straits Times Index and a benchmark index of its industry peer and the achievement of strategic objectives.

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The NC, in considering the re-appointment of any Director, evaluates the performance of the Director. The NC had implemented a process to assess the effectiveness of the Board Committees annually. The NC has recommended that the members of the respective Board Committees complete the evaluation form adopted by the NC. The results of the Board and Board Committees' assessments are reviewed and discussed by the NC and, any recommendation and suggestion arising from the evaluation exercise are circulated to the Board for consideration of the appropriate measures to be taken. No external facilitator was engaged in FY2025. However, the NC has full authority to engage an external facilitator to assist the NC to carry out the evaluation process at the Company's expense, if the need arises.

The annual assessment of individual Directors considers, among others, each Director's attendance as well as generation of constructive debate/participation for meetings of the Board and Board Committees, contribution, initiative, responsiveness of Director, knowledge of senior management and Company's business, and the Directors' self-assessment. Selected performance criteria will not change from year to year unless they are deemed necessary and the Board is able to justify the changes recommended by the NC, prior to approval.

The evaluation of board performance is conducted annually to identify areas of improvement and as a form of good board management practice. During the financial year under review, each Director was required to complete the evaluation form and individual Director's assessments adopted by the NC for annual assessment on the overall effectiveness of the Board as a whole, Board Committees and each Director's contributions. The last Board of Directors' evaluation was conducted on 27 February 2026 and the results have been presented to the NC for discussion. The NC is satisfied that the Board has been effective as a whole and that each and every Director has contributed to the effective functioning of the Board. In addition, the NC is also satisfied that sufficient time and attention have been given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations.

Following the review of FY2025, the Board is of the view that the Board and its Board Committees operate effectively and each Director contributes to the overall effectiveness of the Board.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

The Group's remuneration policy is to provide a formal and transparent remuneration package which rewards successful performance and attracts, retains and motivates a pool of talented Directors and key management personnel. As at the date of this Report, the RC comprises three Directors, all of whom are Non-Executive and Independent Directors:

Ms Tan Poh Hong (Chairman)
Mr Lim Geok Peng (Member)
Mr Gan Thiam Poh (Member)

In discharging their duties, the RC members have access to advice from the internal human resources personnel, and if required, advice from external experts.

The RC reviews and recommends to the Board a framework for the remuneration packages of the Executive Directors and executive officers and development in the Group with the goal of building capable and committed management teams.

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The RC is regulated by its terms of reference and its key functions include but not limited to:

- (a) annual review of the remuneration of each of the Directors and key management personnel and recommend to the Board a general framework of remuneration of the Directors and key management personnel for endorsement;
- (b) reviewing the remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation and the statements in the annual report with a view to achieving clear disclosure of the same;
- (c) considering all aspects of remuneration packages (including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind, termination terms and payments) for the Directors and key management personnel to ensure they are fair;
- (d) ensuring that the level and structure of remuneration of the Directors and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives;
- (e) ensuring that significant and appropriate proportion of the Executive Directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance, and that performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company;
- (f) implement and administer share option schemes established from time to time for the Directors and key management personnel;
- (g) in the case of service contracts and employment contracts, reviewing the Company's obligations arising in the event of termination of the Executive Directors' or key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with a view to being fair and avoiding the reward of poor performance;
- (h) approving performance targets for assessing the performance of each of the key management personnel and recommend such targets as well as employee specific remuneration packages for each of such key management personnel, for endorsement by the Board; and
- (i) conducting an annual review of and approving the remuneration of employees of the Group who are relatives of any of the Directors, Chief Executive Officer or Substantial Shareholders (including bonuses, increments and/or promotions) and to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities.

In setting out the remuneration packages, the RC would take into consideration pay and employment conditions within the industry and in comparable companies. The remuneration packages should take into account the Company's performance and the performance of the individual Directors and key management personnel.

The RC also periodically considers and reviews remuneration packages in order to maintain their attractiveness, to retain and motivate the Directors to provide good stewardship of the Company and key executives to successfully manage the Company, and to align the level and structure of remuneration with the long-term interests and risk policies of the Company.

Each member of the RC will abstain from reviewing and approving his or her own remuneration, compensation or any form of benefit and the remuneration packages of persons related to him or her. The RC met once during the financial year on 27 February 2025.

The RC, in considering the remuneration of all Directors, has not sought external advice nor appointed remuneration consultants during FY2025 and will continue to monitor the need of engaging external remuneration consultant as and where applicable.

Corporate Governance Report

Level and Mix of Remuneration

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

The Executive Directors do not receive Directors' fees except for Mr Ow Chin Seng who sits on the NC as member and is paid in accordance to his service agreement with the Company. In setting out the remuneration packages of the Executive Directors, the Company takes into account the remuneration and employment conditions within the same industry and in comparable companies, the performance of the Group, the performance of the individuals and value creation as enumerated under the Code which are aligned with long term interest and risk policies of the Group. For FY2025, the Executive Directors and key management personnel have met the relevant performance conditions.

The Independent Directors do not have service agreements with the Company. The Independent Directors are paid with Directors' fees. The RC has adopted a framework which consists of base fee to remunerate Independent Directors based on their appointments and roles in the respective Board Committees, taking into account the level of contributions and factors such as effort, time spent and the scope of responsibilities and the fees paid by comparable companies. The Directors' fees are reviewed annually to ensure that the Independent Directors should not be over-compensated to the extent that their independence may be compromised and no Director is involved in deciding his or her own remuneration. The Directors' fees are recommended by the RC and submitted to the Board for endorsement. Directors' fees are recommended by the Board for approval at the AGM of the Company.

The Executive Directors' and key management personnel's remuneration is set in accordance with a remuneration framework comprising basic salary, variable bonus and benefits-in-kind. The variable component is linked to the Group's performance and individual's performance. Such performance-related remuneration is designed to align with the interests of shareholders and other stakeholders and promote long-term success of the Group.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. Executive Directors owe fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties. The Company remunerates key management personnel based on a balanced assessment of each individual's performance and the performance of the Group, taking into account industry benchmarking without setting excessive bonuses. The remuneration of Directors is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

Corporate Governance Report

Disclosure on Remuneration

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

(i) Remuneration of Directors

A breakdown of the total remuneration paid by the Company and its subsidiaries to each Director of the Company and CEO for the year ended 31 December 2025 is set out below:

Name of Director	Remuneration paid/ payable in FY2025 S\$	Breakdown of the Directors' Remuneration				
		Salary & CPF %	Fee %	Bonus %	Other Benefits %	Total %
Mr Ow Chin Seng	1,015,893	53	1	13	33	100
Mr Ow Eei Phurn, Benedict ⁽¹⁾	290,722	71	0	21	8	100
Mr Ng Kim Keang	405,116	77	0	16	7	100
Mr Lim Geok Peng	44,000	0	100	0	0	100
Ms Tan Poh Hong	36,000	0	100	0	0	100
Mr Gan Thiam Poh	36,000	0	100	0	0	100

Note:

(1) Mr Ow Eei Phurn, Benedict is the son of Mr Ow Chin Seng

(ii) Remuneration of Key Management Personnel

The breakdown of the total remuneration of key management personnel of the Group (who are not Directors or the CEO) for the year ended 31 December 2025 is set out below:

Name of key management personnel	Remuneration paid/payable in FY2025			Breakdown of the Executives' Remuneration				
	Up to S\$250,000	S\$250,001 to S\$500,000	S\$500,001 to S\$750,000	Salary & CPF %	Fee %	Bonus %	Other Benefits %	Total %
Mdm Low Kheng	Refer to Note ⁽¹⁾							
Mr Ow Eei Meng, Benjamin	Refer to Note ⁽¹⁾							
Mr Lim Khan Choon	X	–	–	87	0	13	0	100
Mr Tay Chee Seng ⁽²⁾	X	–	–	91	0	0	9	100

Notes:

(1) Mdm Low Kheng and Mr Ow Eei Meng, Benjamin are also immediate family members of Directors and CEO. The breakdown of each of their remuneration are presented under table (iii) below.

(2) Subsequent to the FY2025, Mr Tay Chee Seng resigned as Group Finance Director of the Company on 2 February 2026.

The annual aggregate amount of the total remuneration paid to these key management personnel (who are not Directors or the CEO) for FY2025 is approximately S\$947,714.

Corporate Governance Report

(iii) Remuneration of Immediate Family Members of Directors and CEO

The breakdown of the total remuneration of employees who are immediate family members of Directors and CEO for the year ended 31 December 2025 is set out below:

Name of employees who are immediate family members of Director or substantial shareholders working in AnnAik Group	Remuneration paid/payable in FY2025					Breakdown of the Remuneration				
	Up to S\$100,000	S\$100,001 to S\$200,000	S\$200,001 to S\$300,000	S\$300,001 to S\$400,000	S\$400,001 to S\$500,000	Salary & CPF %	Fee %	Bonus %	Other Benefits %	Total %
Mdm Low Kheng ⁽¹⁾	–	–	X	–	–	83	0	13	4	100
Mr Ow Eei Meng, Benjamin ⁽²⁾	–	–	–	X	–	72	0	18	10	100

Notes:

- (1) Mdm Low Kheng is the wife of Mr Ow Chin Seng and mother of Mr Ow Eei Phurn, Benedict and Mr Ow Eei Meng, Benjamin.
 (2) Mr Ow Eei Meng, Benjamin is the son of Mr Ow Chin Seng and Mdm Low Kheng and brother of Mr Ow Eei Phurn, Benedict.

Save as disclosed, there are no employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company and whose remuneration exceeds S\$100,000 during the financial year.

The annual aggregate amount of termination, retirement and post-employment benefits granted to Directors, the CEO and key management personnel (who are not Directors or the CEO) of the Group under their current contracts of employment or appointment (as the case may be) as at FY2025 is approximately S\$928,784.

The Company is transparent on its remuneration policies, which has been disclosed not only as part of compliance with Principle 8 but also in respect of Principle 7 of the Code. In particular, the Company has elaborated on the remuneration policy governing the remuneration of the Executive Directors and the factors taken into account for the remuneration of the Independent Directors. In addition, the remuneration of key management personnel (who are not Directors or the CEO) has been presented in bands no wider than S\$250,000 together with disclosure of breakdown of the level and mix of remuneration, allowing shareholders to understand the Company's remuneration policies in relation to its key management personnel (who are not Directors or the CEO).

The RC has reviewed and approved the remuneration packages of the Executive Directors and key management personnel, having regard to their contributions as well as the financial performance and commercial needs of the Group and has ensured that the Executive Directors and key management personnel are adequate but not excessively remunerated. The RC will consider and deliberate on the performance conditions to which Executive Director's and key management personnel's entitlement to short term and long-term incentive schemes are subject and make the necessary disclosures, if any.

Annual variable bonuses would be linked to achievement of financial and non-financial key performance indicators such as core values, competencies, key result areas, performance rating and potential of the employees (including key management). Long-term incentive plans are conditional upon pre-determined performance targets being met and the long-term incentive plans serve to motivate and reward employees and align their interests to maximise long term shareholders' value. The RC will continue to review the performance share scheme when appropriate. The RC ensures that there is a strong correlation between bonuses payable, and the achievement and performance of the Group and individual staff. The RC also ensures that there is a good balance of short-term and long-term incentive schemes to motivate continuous and sustainable performance.

The Company does not have any long-term incentive scheme or share option scheme in place. The RC and the Board may consider incentive schemes for the Group in the near future.

The RC and the Board have considered and are of the view that the Company's remuneration packages are appropriate and fair.

Corporate Governance Report

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

The Board recognises the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and effectiveness of those systems on an annual basis. The Board determines the nature and extent of the significant risks which it is willing to take in achieving its strategic objectives. The internal control and risk management functions are performed by the Group's key management personnel and reported all significant matters to the AC and the Board for review from time to time.

It should be noted, in the opinion of the Board, that such system is designed to manage rather than to eliminate the risk of failure to achieve business objectives, and that it can provide only reasonable, and not absolute, assurance against material misstatement of loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risk. The Board noted that all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error losses, fraud or other irregularities.

The Board understands its accountability to the shareholders regarding the Group's position, performance and progress. The Board reviews and approves the financial results as well as any announcements before its release. The objectives of the presentation of the annual audited financial statements, half-year and full-year financial results to its shareholders are to provide the shareholders with a balanced and understandable assessment and explanation of the Group's financial performance, position and prospects.

The Management provides the Board with complete, adequate and continual flow of relevant information on a timely basis prior to the meeting and on on-going basis to enable Director to make timely decisions, effectively discharge its duties and make a balanced and informed assessment of the performance, position and prospects of the Company. The Management understands its role to provide all members of the Board with appropriate management reports in a balanced and understandable assessment of the Group's performance, position and prospects.

Financial reports and other price-sensitive information are disseminated to shareholders through announcements via SGXNet, and on the Company's website. The Company's annual report is accessible on the Company's website or SGXNet.

All the Directors and executive officers of the Company have signed undertaking letters pursuant to Rule 720(1) and Appendix 7H of the Catalist Rules.

The Board is updated with significant events that have occurred or have had a material impact on the Group during the year. The Management provides the Board with financial updates on the performance and position of the Group to keep board members informed and updated on a monthly basis in order that it may effectively discharge their duties.

The Group had appointed Messrs Assenture Advisory Pte. Ltd. as the independent Internal Auditors of the Group to conduct and review the adequacy and effectiveness of the Group's internal controls on a regular basis in light of the size and complexity of the Group's operations. Relying on the reports from the independent Internal Auditors and management letter issued by the External Auditors (to the extent as required by them to form an audit opinion on the statutory financial statements) and the representation letters from the Management, the AC will carry out assessments of the effectiveness of key internal controls during the year. Any material non-compliance or weaknesses in internal controls and its corresponding mitigation actions from the independent Internal Auditors and External Auditors to further improve the internal controls will be reported to the AC. The AC will follow up on the actions taken by the Management and on the recommendations made by the independent Internal Auditors and External Auditors.

Corporate Governance Report

The AC has assumed the responsibility of the risk management function and oversees the overall adequacy and effectiveness of the Company's risk management systems and procedures on a regular basis.

For FY2025, the Board has received assurances from:

- (a) the CEO and COO (who currently subsumes the function of the Chief Financial Officer) of the Company, that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the CEO and key management personnel who are responsible, regarding the adequacy and effectiveness of the Group's risk management and internal control systems in addressing financial, operational, compliance and information technology risks are operating effectively.

The AC has reviewed, with the assistance of the independent Internal Auditors and External Auditors, the adequacy and effectiveness of the Company's risk management internal controls, addressing financial, operational, compliance and information technology risks.

Based on the results of audit by the independent Internal Auditors and External Auditors, their recommendations, the various management controls and reports put in place, representation letter from the Management and periodic reviews by the Management, the Board with the concurrence of the AC is of the opinion that the Group's system of internal controls and risk management procedures in addressing financial, operational, compliance and information technology controls, and risk management systems maintained by the Group during the year are adequate and effective as at 31 December 2025 to address the risks that the Group considers relevant and material to its operations.

The process of reviewing and strengthening the Group's internal controls and risk management is an ongoing process. The Management will continue to devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal control framework from time to time.

Audit Committee

Principle 10: The Board has an AC which discharges its duties objectively.

As at the date of this Report, the AC comprises three Directors, all of whom are Non-Executive and Independent Directors:

Mr Lim Geok Peng (Chairman)
Ms Tan Poh Hong (Member)
Mr Gan Thiam Poh (Member)

All of the members of the AC are knowledgeable and familiar with financial management, corporate governance and regulatory disclosure requirements. The Board believes that they possess the necessary qualifications and experiences in discharging their duties as a member of the AC.

The AC functions under its terms of reference which set out its responsibilities as follows:

- review of the audit plans and reports from the External Auditors and independent Internal Auditors;
- review of the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- review of the co-operation given by the Group's officers to the External Auditors and independent Internal Auditors;
- review of the consolidated financial statements of the Group and the financial statements of the Company to ensure the integrity before their submission to the Board and any announcements relating to the Company's financial performance;

Corporate **Governance** Report

- review of the independence and objectivity of the External Auditors and nomination of the External Auditors for re-appointment;
- review of all interested person transactions to ensure that they comply with the approved internal control procedures and have been conducted on an arms' length and normal commercial terms and are not prejudicial to the interests of the shareholders of the Company;
- meet with the External Auditors without the presence of management annually, to discuss any problems and concerns they may have;
- make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of External Auditors and approving the remuneration and terms of engagement of the External Auditors;
- review and approve all audit and non-audit services to be provided to the Group by the External Auditors;
- review the adequacy, effectiveness, scope and results of the Company's External Auditors, independent Internal Auditors, risk management and internal control systems (including financial, operational, compliance and information technology risks) and report to the Board annually;
- undertake such other functions and duties as may be required by the relevant laws or provisions of the SGX-ST Catalist Rules (as may be amended from time to time) and as may be requested by the Board;
- review the Company's procedures for whistle-blowing policy endorsed by the AC by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or any other matters to be safely raised, independently investigated and appropriately followed up on;
- review the assurance from the CEO and the COO on the financial records and financial statements;
- review the remuneration and terms of engagement of the External Auditors and independent Internal Auditors; and
- review the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function.

Apart from the above functions, the AC commissions and reviews the findings of internal investigations into matters where there is suspicion of fraud or irregularities, failure of internal controls or infringement of any Singapore law, rule or regulation which has or likely to have a material impact on the operating results and/or financial position of the Group. In the event that a member of the AC is interested in any matter being considered by the AC, he or she will abstain from reviewing that particular transaction or voting on that particular resolution. There are no such internal investigations during the years required.

It has been proposed that the AC will meet at least two times a year and as frequently as is required. In FY2025, the AC has met two times to review and approve the Group's half yearly announcement of unaudited results, full year announcement of unaudited results and approval of audit planning memorandum and summary review memorandum for statutory audit.

There were no non-audit services provided by the External Auditors in FY2025 that would affect the independence of the External Auditors. The aggregate amount of audit fees paid or payable to Auditors of the Company and its member firms for FY2025 amounted to S\$222,000. The AC has reviewed the independence and objectivity of Messrs UHY Lee Seng Chan & Co. and is satisfied that Messrs UHY Lee Seng Chan & Co. demonstrated appropriate qualifications and expertise. The AC has recommended to the Board the re-appointment of Messrs UHY Lee Seng Chan & Co. as auditors of the Company at the forthcoming AGM. Messrs UHY Lee Seng Chan & Co. have confirmed that they are a public accounting firm registered with ACRA and provided confirmation on their independence to the AC.

The AC has full access to and cooperation of the Management, independent Internal Auditors and External Auditors, and full discretion to invite any Director or key management personnel to attend the meetings and has been given reasonable resources to enable it to discharge its functions properly.

Corporate Governance Report

The Company has complied with Rule 712 and Rule 715 of the SGX-ST Catalist Rules, in the appointment of auditors for the Company and its subsidiaries, having regard the adequacy of the track record, resources, experience and independence of the auditing firm and the audit partner-in-charge assigned to the audit. The details of the auditors are outlined in Notes 15 and 16 of the financial statements.

In July 2010, SGX-ST and ACRA launched the **"Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors"** (the **"Guidance"**) which aims to facilitate the AC in evaluating the External Auditors. Accordingly, the AC had evaluated the performance of the External Auditors based on the key indicators of audit quality set out in the Guidance such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Group's audit, the size and complexity of the Group.

In addition, in October 2015, with the support from SGX-ST and Singapore Institute of Directors, ACRA had introduced the **"Audit Quality Indicators" ("AQIs")** Disclosure Framework to assist the AC in evaluating the re-appointment of External Auditors based on quality markers that correlate closely with audit quality. The AQIs Disclosure Framework was last revised by the ACRA on 29 December 2025. Accordingly, the AC had evaluated the External Auditors based on the AQIs at engagement and/or firm-level.

Changes to accounting standards and accounting issues which have significant impact on the financial statements were reported to the AC, and highlighted by the External Auditors in their meetings with the AC, to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements. In line with Provision 10.3 of the Code, the AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The AC meets with the independent Internal Auditors and External Auditors separately without the presence of Management at least once a year. For FY2025, the AC met once with the External Auditors and independent Internal Auditors without the presence of Management.

In line with the recommendations by ACRA, Monetary Authority of Singapore and SGX-ST in the review of the financial statements, the AC has discussed with the Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements and had deliberated the key audit matters (**"KAMs"**) presented by the External Auditors:

1	Valuation of inventories
2	Impairment assessment of trade receivables

The AC was satisfied that the KAMs have been properly dealt with for purpose of the Board's approval of the financial statements for FY2025.

Whistle-blowing policy

The Company has put in place a whistle-blowing policy in order to develop a culture of openness, accountability and integrity. The policy encourages employees and external parties to raise concerns, in confidence, about possible irregularities. It aims to provide an avenue for employees and external parties to raise concerns and offer reassurance that they will be protected from reprisals or victimisation for whistle-blowing in good faith within the limits of the law. The AC exercises the overseeing function over the administration of the whistle-blowing policy. The AC will, depending on the nature of the concern, initiate inquiries to determine whether an investigation is appropriate and the form that it should take.

The Group has designated an independent function to investigate whistle-blowing reports made in good faith and ensures that the identity of the whistleblower is kept confidential and the Group is committed to ensure protection of the whistleblower against detrimental or unfair treatment. There were no whistle-blowing matters reported during the financial year by any staff to indicate possible improprieties in matters of financial reporting, financial control or any other matters. Staff of the Group has access to the Chairman of the AC and may, in confidence and on an anonymous basis, raise concerns about possible improprieties in any such corporate matters by sending an email to john.lim@cpa-partnership.com.sg or a letter in writing to the Chairman of the AC.

Corporate Governance Report

Internal Audit

Since financial year 2022, the Company upon the recommendation of the AC, appointed Messrs Assentsure Advisory Pte. Ltd. as independent Internal Auditors.

Messrs Assentsure Advisory Pte. Ltd. was founded in 2018 by a group of experienced chartered accountants/professionals from various fields. Messrs Assentsure Advisory Pte. Ltd. offers diversified business advisory services in Singapore. Messrs Assentsure Advisory Pte. Ltd. offers a full range of professional services, including audit and assurance, tax advisory and compliance, forensic investigation, business consulting, corporate governance, accounting and bookkeeping and corporate secretarial.

The internal audit engagement team comprises Engagement Partner (Su Chun Keat), Engagement Manager (Yeo Cheng Hee) and other team members. The engagement team is led by the Engagement Partner who has more than 20 years of experience in audit and assurance and internal audit and is a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants ("ISCA"). The engagement team consists of the Engagement Manager and team members who possess relevant experience as well as designations such as Certified Internal Auditor of the Institute of Internal Auditors ("IIA") and Chartered Accountant of ISCA.

The scope of internal audit is to:

- (a) review the effectiveness of the Group's material internal controls;
- (b) provide assurance that key business and operational risks are identified and managed;
- (c) internal controls are in place and functioning as intended; and
- (d) operations are conducted in an effective and efficient manner.

The AC reviews the independence and scope of work deliverables by the independent Internal Auditors on a regular basis, including overseeing and monitoring the implementation of the improvements required on internal control weaknesses identified. The AC has the responsibility to review the adequacy and effectiveness of the internal audit function on an annual basis, review the internal audit program and ensure co-ordination between independent Internal Auditors, External Auditors and Management, and ensure that the independent Internal Auditors meet or exceed the standards set by nationally or internationally recognised professional bodies. The AC also reviews and approves the hiring, remuneration and removal of the independent Internal Auditors and evaluates its outsourced internal audit function.

The AC met up with the independent Internal Auditors separately at least once a year without the presence of Management. The independent Internal Auditors are provided with unfettered access to the documents, records, properties and personnel, including the Board, AC and Management, and has standing within the Company for performing their internal audit review.

The independent Internal Auditors report directly to the Chairman of the AC on any material weaknesses and risks identified in the course of the audit which will also be communicated to the Management. The Management would thereafter update the AC on the status of the remedial action plans.

The internal audit work carried out in FY2025 was guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors. The independent Internal Auditors have provided a confirmation of their independence to the AC.

During FY2025, the independent Internal Auditors had completed audit in January 2026 covering the accounts payables and payments processes of its subsidiary under the Environmental Business. There were no material findings for FY2025.

The AC and the Board review the adequacy and effectiveness of the internal audit function on an annual basis and are satisfied that in FY2025, the internal audit function has adequate resources to perform its duties effectively and is staffed by suitably qualified and experienced professionals with the relevant experience and independent of its activities it audits.

Corporate Governance Report

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

All shareholders are treated fairly and equitably to facilitate their ownership rights to participate effectively in and vote at general meetings. Shareholders are also informed on the procedures for the poll voting at the general meetings. The Constitution allows a member of the Company, who is unable to attend the general meeting in person, to appoint up to two proxies to attend and vote at the meeting.

The Group believes that a high standard of transparent corporate disclosure is crucial to raising the level of corporate governance. All information relating to the Group's new initiatives are first disseminated via SGXNet followed by a news release (if appropriate), which is also available on the SGX-ST's website.

The forthcoming AGM of the Company to be held in respect of FY2025 will be convened and held physically. Notices of general meetings are dispatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 clear calendar days before the meeting for ordinary resolutions and/or 21 clear calendar days before the meeting for special resolutions.

The Board noted that there should be separate resolutions on each substantially separate issue that may be tabled at the general meeting. All the resolutions at the general meetings are single item resolutions. The Company avoids '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.

At the AGM, shareholders are given opportunities to express their views and the Board welcomes the views of shareholders who wish to raise issues concerning the Company, either informally or formally before or during these general meetings. Board members, senior Management and the Company Secretary are present and available to address questions from shareholders at general meetings. Furthermore, the External Auditors are present to assist the Board in addressing any relevant queries raised by the shareholders relating to the conduct of the audit and the preparation of content of the Auditors' report.

The Constitution allows corporations and members of the Company to appoint one or two proxies to attend and vote at general meetings. A relevant intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her (which number and class of shares shall be specified). An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the meeting in person. CPF and SRS Investors who are unable to attend the meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the meeting.

The Company is not implementing absentia voting methods such as voting via mail, email or fax until security, integrity and other pertinent issues are satisfactorily resolved.

For greater transparency and fairness in the voting process, voting at shareholders' meetings were conducted by poll since 2013. This allows all shareholders present or represented at the meetings to vote on a one-share-one-vote basis. Shareholders will be briefed on the rules, including poll voting procedures that govern general meetings of shareholders. The voting results of all votes cast for or against each resolution are announced at the meeting and broadcasted via SGXNet after the meeting.

The Company prepares and publishes minutes of general meetings incorporating the substantial and relevant queries from shareholders relating to the agenda of the meeting and responses from the Board and the Management. The Company will publish the minutes of the AGM within one month from the AGM and such minutes will also be available to shareholders on its corporate website and the SGXNet.

Corporate Governance Report

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate.

Although declaring and recommending dividend are not fixed, the Board of Directors' policy is to recommend dividends consistent with the Company's objective, *inter alia* of maximising shareholders' value. The Board will carefully consider and evaluate the aforementioned before proposing any dividend.

Engagement with shareholders

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

The Company recognises the importance of actively engaging with shareholders to promote effective and fair communication. The Board acknowledges that the Company has to fulfill its obligation to furnish timely and material information to shareholders and to ensure full and appropriate disclosure of such information is made for complying with statutory requirements as well as rules prescribed under the SGX-ST Catalyst Rules. Any price sensitive information will be publicly released through SGXNet.

The Company does not practice selective disclosure. To keep all shareholders of the Company informed on all disclosures and developments of the Company, the shareholders can access the Company's announcements and annual reports through the Company's website at the URL www.annaik.com.

Although the Company has not adopted a formal investor relations policy to regularly convey pertinent information to the shareholders, the Board acknowledges its obligation to furnish timely information to shareholders and ensures that full disclosure of material information in its annual report to comply with statutory requirements and the SGX-ST Catalyst Rules is made. By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. The Company focuses on facilitating the communications with all stakeholders, shareholders, analysts and media on a regular basis, attending to their queries or concerns as well as keeping the investors publicly apprised of the Group's corporate developments and financial performance.

In view of the above, the Company did not implement a formal investor relations policy as there are existing channels to actively engage and promote regular, effective and fair communication with shareholders. Shareholders may contact the Company with questions and the Company may respond to such questions via email at kkng@annaik.com.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with stakeholders

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

The Board considers the Company's obligations to its shareholders and also the interests of its material stakeholders as the relationships with material stakeholders may have an impact on the Company's long-term sustainability. Stakeholders refer to parties who may be affected by the Company's activities or whose actions can affect the ability of the Company to conduct its activities. The Board has identified these groups as customers, constructors, suppliers, employees, landlords, investors, media, government, institutions and communities. The Group has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationship with such groups.

In addition, the Company's material stakeholders, sustainability efforts (including its strategy and key areas of focus) and performance can be found in the Company's sustainability report in order to keep the stakeholders informed on the commitment made by the Company in fostering the creation of long-term value for the stakeholders and sustainable development of the global economy.

To keep all stakeholders of the Company updated on the latest announcements, press releases and stock details of the Company, stakeholders may access to the Company's website at the URL www.annaik.com.

Corporate Governance Report

Stakeholders can contact the Company on the following services:

Investor Related Services	kknng@annaik.com
Environmental Related Services	benjaminow@annaik.com
Sales Related Services	sales@annaik.com

SUMMARY ON SUSTAINABILITY REPORTING 2025

The Sustainability Report for FY2025 will be issued as a standalone document on or around 20 April 2026. The report remains aligned with previous editions, with reference to Global Reporting Initiative (GRI) Standards and complies with Catalyst Rules.

DEALING IN SECURITIES

In compliance with Rule 1204(19) of the SGX-ST Catalyst Rules, the Company has adopted its own internal Code of Conduct to provide guidance to all officers of the Company and its subsidiaries with regard to dealing in the Company's securities.

The Company and the Group, and its Directors, officers and employees are periodically reminded not to deal in the Company's shares for the period commencing one month before the announcement of the Company's half year and full year financial results and ending on the date of the announcement of the relevant financial results. The Company will notify Directors, officers and employees of the commencement date for each close window period.

In addition, Directors, key management personnel and connected persons are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also refrained from dealing in the Company's shares on short-term considerations and at any time if they are in possession of unpublished material price-sensitive information.

The Company has complied with Rule 1204(19) of the SGX-ST Catalyst Rules.

INTERESTED PERSON TRANSACTIONS

The Group has adopted an internal policy in respect of any transactions with interested person within the definition of Chapter 9 of the SGX-ST Catalyst Rules and has set out procedures for review and approval of all interested person transactions.

All interested person transaction will be documented and submitted periodically to the AC for its review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the interest of the Company and its minority shareholders.

The Group does not have a general mandate obtained from shareholders for interested person transactions. There were no interested person transactions equal to or exceeding S\$100,000 in aggregate between the Company and any of its interested persons (Directors, CEO or Controlling Shareholders of the Group or the associates of such Directors, CEO or Controlling Shareholders) for the financial year ended 31 December 2025.

RISK MANAGEMENT

The Group regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as to take appropriate measures to control and mitigate these risks. The Group reviews all significant control policies and procedures and highlights all significant matters to the AC and the Board. The financial risk management objectives and policies are outlined in Note 39 of the financial statements.

MATERIAL CONTRACTS

There is no material contracts entered into by the Group involving the interests of any Director or Controlling Shareholder, which are either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Corporate Governance Report

NON-SPONSOR FEES

With reference to Rule 1204(21) of the SGX-ST Catalist Rules, no non-sponsor fees were paid to the Company's Sponsor, SAC Capital Private Limited for FY2025.

TABLE A – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION

The Directors named below are retiring and being eligible, offer themselves for re-election at the upcoming AGM:

Name of Director	Mr Ng Kim Keang ("Mr Ng")	Mr Gan Thiam Poh ("Mr Gan")
Date of appointment	3 January 2005	30 September 2019
Date of last re-appointment (if applicable)	27 April 2023	27 April 2023
Age	51	63
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	The Board, having considered, among others, the Nominating Committee's recommendation and assessed Mr Ng's qualifications, extensive experiences and commitment in discharging his duties as Executive Director cum Chief Operating Officer, is satisfied that Mr Ng can continue to contribute positively to the Company.	The Board, having considered, among others, the Nominating Committee's recommendation and assessed Mr Gan's qualifications, extensive experiences and commitment in discharging his duties as Non-Executive and Independent Director, is satisfied that Mr Gan can continue to contribute positively to the Company. The Board considers Mr Gan to be independent for the purpose of Rule 704(7) of the SGX-ST Catalist Rules.
Whether appointment is executive, and if so, the area of responsibility	Executive, subsuming the function of the Chief Financial Officer, managing the overall operations and the finance and accounting matters of the Group.	Non-Executive
Job title	Executive Director cum Chief Operating Officer	Non-Executive and Independent Director, Chairman of Nominating Committee and member of Audit Committee and Remuneration Committee
Professional qualifications	Bachelor of Commerce from University of Adelaide, Australia, FCPA Australia and FCA Singapore	Bachelor of Science degree from the National University of Singapore
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	None	None
Conflict of interest (including any competing business)	None	None

Corporate Governance Report

Name of Director	Mr Ng Kim Keang ("Mr Ng")	Mr Gan Thiam Poh ("Mr Gan")
Working experience and occupation(s) during the past 10 years	Mr Ng joined the Company in January 2003 as Financial Controller, and was promoted to Executive Director in January 2005 and Chief Operating Officer in March 2015. Currently, Mr Ng is responsible for managing the overall operations and the finance and accounting matters of the Group. Prior to joining the Company, Mr Ng worked in Deloitte & Touche, Malaysia, and Ernst & Young, Singapore.	A veteran of the banking and finance industry, Mr Gan brings over 35 years of extensive experience in financial services and corporate solutions to the board. Mr Gan held several senior roles at major regional financial institutions. He currently serves as a Senior Vice President in the DBS Private Banking and is responsible for advising ultra-high-net-worth clients. Parallel to his professional career, Mr Gan has a distinguished record of public service, having served as a Member of Parliament in Singapore from 2011 to 2025. During his tenure, he was a member of the Singapore Parliamentary Committee for Public Accounts and served on various Government Parliamentary Committees, including Transport, National Development, and Sustainability and the Environment. His international and diplomatic contributions include serving as the Vice Chair of the Singapore-India and South Asia Parliamentary Friendship Groups, as well as a member of the Europe Parliamentary Friendship Group.
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Direct interest – 14,361,000 shares	Mr Gan does not hold any shares in AnnAik Limited and its subsidiaries
Other principal commitments including directorships	<u>Past (for the last 5 years)</u> Pioneer Environmental Technology Pte. Ltd. <u>Present</u> - Anxon Engineering Pte. Ltd. - AnnAik & Partners (S) Pte. Ltd. - Anxon Environmental Pte. Ltd. - Anxon Eco Holdings Pte. Ltd. - Anxon Oasis Pte. Ltd. - Ann Aik Pte. Ltd. - Shinsei Holdings Pte. Ltd. - Anxon Envirotech Pte. Ltd. - Metal Wang Pte. Ltd. - Anxon Ecotech Pte. Ltd. - Shinsei Energy Sdn. Bhd. - Dalian Shicheng Property Development (S) Pte. Ltd.	<u>Past (for the last 5 years)</u> None <u>Present</u> Soon Hock Enterprise Holding Limited

The Retiring Directors have responded negative to items (a) to (k) listed in Appendix 7F of the SGX-ST Catalyst Rules.

Directors' Statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of AnnAik Limited (the Company) and its subsidiaries (collectively, the Group) and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2025.

1. Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

Ow Chin Seng
Ow Eei Phurn, Benedict
Ng Kim Keang
Lim Geok Peng
Tan Poh Hong
Gan Thiam Poh

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objectives is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

4. Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Companies Act 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
AnnAik Limited				
Ordinary shares				
Ow Chin Seng	97,574,197	97,574,197	25,616,455	30,116,455
Ow Eei Phurn, Benedict	1,280,000	1,680,000	497,750	897,750
Ng Kim Keang	14,586,600	14,361,000	–	–

By virtue of Section 7 of the Companies Act 1967, Mr Ow Chin Seng is deemed to have an interest in all the related corporations of the Company.

There was no change in any of the above-mentioned interest in the Company between the end of the financial year and 21 January 2026.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Directors' Statement

5. Options

There were no options granted by the Company or any corporations in the Group during the financial year to subscribe for unissued shares of the Company or any corporations in the Group.

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

There were no unissued shares of the Company or any corporations in the Group under option as at the end of the financial year.

6. Audit Committee

The Audit Committee of the Company comprises three non-executive independent directors. The members of the Audit Committee at the end of the financial year and the date of this statement are:

Lim Geok Peng (Chairman)
Tan Poh Hong
Gan Thiam Poh

The Audit Committee (AC) carried out its functions in accordance with Section 201B (5) of the Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors.
- Reviewed the half yearly and annual financial statements and the independent auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors.
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor.
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC.
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators.
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor.
- Reviewed the nature and extent of non-audit services provided by the external auditor.
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit.
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate.
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

Directors' Statement

6. Audit Committee (Continued)

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened two meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

7. Auditors

UHY Lee Seng Chan & Co has expressed its willingness to accept re-appointment as auditors.

On behalf of the board of directors,

Ow Chin Seng
Director

Ng Kim Keang
Director

Singapore
31 March 2026

Independent Auditor's Report

To the Members of AnnAik Limited
For the financial year ended 31 December 2025

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AnnAik Limited (the Company) and its subsidiaries (collectively, the Group), which comprise the balance sheets of the Group and the Company as at 31 December 2025, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Singapore. We have also 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 period. 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.

Independent Auditor's Report

To the Members of AnnAik Limited

For the financial year ended 31 December 2025

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in our audit
1. Valuation of inventories The Group's inventories comprise steel products (such as flanges, plates, pipes and fittings and valves) which are commonly used in various industries such as construction and petrochemical. As at 31 December 2025, the carrying amount of inventories amounted to \$19,401,000, net of allowance for slow moving inventories of \$2,347,000. These inventories represent approximately 17.4% and 36.1% of the Group's total assets and current assets respectively. As disclosed in Note 2.15 to the financial statements, inventories are stated at the lower of cost and net realisable value. Significant judgement is required in the estimation of net realisable value of these inventories and allowance for slow moving inventories. Such estimation is subject to factors such as volatility in the steel price, current and expected future market demand which may also be affected by pricing competition, significant inflationary pressures, high interest-rate environment, on-going geopolitical tensions between US and China, the on-going wars (amongst Russia and Ukraine, US-Israel war with Iran) and the recent steel and aluminium import tariffs imposed by US. As such, we determined that this is a key audit matter. The disclosures in the financial statements are set out in Notes 2.15, 3.2(c) and 21 of the accompanying financial statements.	Our audit procedures included but were not limited to the following: a) Attended the inventory count and performed procedures to understand management's process in identifying slow moving inventories; b) Evaluated the Group's processes and controls relating to sale and purchase of inventories; c) Obtained an understanding of management's processes in determining the selling prices of its steel products; d) Held discussions with management who represented that the selling prices of inventories have not been significantly impacted by macroeconomic factors and that the master price list is regularly updated to reflect any such changes; e) Reviewed the Group's costing approach and the appropriateness of the costing method used for the inventories; f) Assessed the net realisable value for selected inventories based on sampling by comparing their carrying amounts with sales transactions made in current year and/or subsequent to the year end as well as against the latest master price list; g) Evaluated management's assessment of allowance for slow moving inventories by reviewing the inventory aging report; h) Assessed the reasonableness of management's assumptions and estimates used to determine the amount of inventories written down or allowance reversed; i) Reviewed the adequacy of the related disclosures in Note 21 of the financial statements.

Independent Auditor's Report

To the Members of AnnAik Limited
For the financial year ended 31 December 2025

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in our audit
2. Impairment assessment of trade receivables As at 31 December 2025, the Group recorded net trade receivables of \$20,186,000 which represents approximately 18.1% and 37.6% of the Group's total assets and current assets respectively. The Group has provided loss allowance on expected credit loss (ECL) of \$789,000, which represents approximately 3.8% of the Group's gross trade receivables. Included in trade receivables is accrued revenue which amounted to \$11,235,000. Accrued revenue represents work performed for provision of wastewater treatment services for which revenue is recognised but not billed at the reporting date (Note 22). The collectability of trade receivables, including accrued revenue is a key element of the Group's working capital management, which is managed on an ongoing basis by management. The Group estimates the credit loss allowance by making debtor-specific assessment of expected impairment loss for long overdue trade receivables. In addition, management also uses a provision matrix for remaining trade receivables that is based on its historical credit loss experience, adjusted for available current and forward-looking information specific to the debtors and economic environment. As the determination of the ECL for trade receivables involves significant judgement and estimation by management, we have identified this as a key audit matter.	Our audit procedures included but were not limited to the following: a) Obtained an understanding and evaluated the Group's processes and controls relating to the monitoring of trade receivables (including accrued revenue); b) Requested trade receivable confirmations and verified evidence of receipts from the trade receivables subsequent to the financial year end on a sample basis; c) Evaluated management's assumptions and inputs used in the computation of historical credit loss rates and reviewed data and information used by management to make forward-looking adjustments taking into consideration the current economic situation; d) Evaluated the ECL allowance established and the amount recognised in profit or loss by checking the arithmetic accuracy of management's computation of the ECL, testing the accuracy of the ageing of the trade receivables, analysing the ageing profile of trade receivables to identify collection risks and assessing significant overdue individual trade receivables on a sampling basis; e) Held discussions with Audit Committee and the Board to understand the nature of accrued revenue, which is due entirely from the PRC government; f) Reviewed subsequent receipts and other supporting documents to verify track record that prior accrued revenue are eventually billed and collected; g) Corroborated with management's representation that accrued revenue of \$11,235,000 as at 31 December 2025 will be collected upon billing subsequent to the financial year; h) Assessed the adequacy of disclosures of trade receivables, sensitivity analysis and the related credit risk and liquidity risk in Notes 3.2(b), 22, 39(a) and 39(b) to the financial statements respectively.

Independent **Auditor's Report**

To the Members of AnnAik Limited

For the financial year ended 31 December 2025

Other Information

Management is responsible for the other information. The other information comprises the information included in 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.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide 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:

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

Independent Auditor's Report

To the Members of AnnAik Limited
For the financial year ended 31 December 2025

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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 Mr Lee Sen Choon.

UHY Lee Seng Chan & Co
Public Accountants and
Chartered Accountants

Singapore
31 March 2026

Consolidated **Income Statement**

For the financial year ended 31 December 2025

		Group	
	Note	2025 \$'000	2024 \$'000
Revenue	4	36,019	47,644
Cost of sales		(24,282)	(32,655)
Gross profit		11,737	14,989
Other income	5	1,325	1,633
Distribution expenses		(615)	(731)
Administrative expenses		(8,380)	(9,061)
Write-back/(allowance) for impairment losses on financial assets	6	2	(45)
Other operating expenses		(744)	(714)
Share of loss of associate		(440)	(216)
Finance costs	7	(887)	(1,257)
Profit before tax	8	1,998	4,598
Income tax expense	9	(995)	(822)
Profit for the financial year		1,003	3,776
(Loss)/profit attributable to:			
Owners of the Company		(520)	2,051
Non-controlling interests		1,523	1,725
		1,003	3,776
Earnings per share (cents per share):			
Basic	10	(0.18)	0.71
Diluted	10	(0.18)	0.71

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

Consolidated Statement of **Comprehensive Income**

For the financial year ended 31 December 2025

	Group	
	2025 \$'000	2024 \$'000
Profit for the financial year	1,003	3,776
Other comprehensive (loss)/income:		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation	(1,311)	246
Other comprehensive (loss)/income for the financial year, net of tax	(1,311)	246
Total comprehensive (loss)/income for the financial year	(308)	4,022
Total comprehensive (loss)/income attributable to:		
Owners of the Company	(1,575)	2,274
Non-controlling interests	1,267	1,748
	(308)	4,022

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

Balance Sheets

As at 31 December 2025

		Group		Company	
	Note	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Non-current assets					
Property, plant and equipment	11	11,262	11,307	2	5
Right-of-use assets	12(a)	4,329	4,090	–	–
Goodwill	13	497	497	–	–
Intangible assets	14	31,701	34,506	–	339
Investments in subsidiaries	15	–	–	28,881	28,881
Investment in associate	16	9,009	9,603	–	–
Investment in joint venture	17	51	–*	51	–*
Investment securities	18	–	–	–	–
Club membership	19	190	190	190	190
Refundable deposits	20	427	434	–	–
Deferred tax assets	29	148	204	–	–
		57,614	60,831	29,124	29,415
Current assets					
Inventories	21	19,401	22,594	–	–
Prepayments		191	143	15	16
Trade and other receivables	22	21,645	24,700	–	101
Amounts due from subsidiaries and joint venture	23	–	8	8,741	7,867
Cash and bank balances	24	12,461	10,013	670	593
		53,698	57,458	9,426	8,577
Total assets		111,312	118,289	38,550	37,992
Current liabilities					
Amounts due to subsidiaries and associate	23	55	150	276	276
Trade payables	25	1,239	1,411	–	–
Other payables and accruals	26	4,222	5,314	709	1,113
Loans and borrowings	27	10,237	13,024	–	260
Provision for income tax		1,630	1,607	–	–
Lease liabilities	12(b)	343	220	–	–
		17,726	21,726	985	1,649
Net current assets		35,972	35,732	8,441	6,928

* Amount is less than one thousand.

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

Balance Sheets

As at 31 December 2025

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Non-current liabilities					
Other payables and accruals	26	29	30	—	—
Loans and borrowings	27	8,472	9,891	—	—
Deferred government grants	28	1,296	1,388	—	—
Deferred tax liabilities	29	1,055	1,059	—	—
Lease liabilities	12(b)	2,765	2,585	—	—
		13,617	14,953	—	—
Total liabilities		31,343	36,679	985	1,649
Net assets		79,969	81,610	37,565	36,343
Equity attributable to equity holders of the Company					
Share capital	30(a)	38,864	38,864	38,864	38,864
Treasury shares	30(b)	(568)	(568)	(568)	(568)
Foreign currency translation reserve	31	(3,558)	(2,503)	—	—
Statutory reserve fund	32	4,598	3,992	—	—
Fair value reserve	33	(67)	(67)	—	—
Retained earnings/(accumulated losses)		25,353	26,479	(731)	(1,953)
		64,622	66,197	37,565	36,343
Non-controlling interests		15,347	15,413	—	—
Total equity		79,969	81,610	37,565	36,343
Total equity and liabilities		111,312	118,289	38,550	37,992

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

Statements of Changes in Equity

For the financial year ended 31 December 2025

Group	Share capital [Note 30(a)] \$'000	Treasury shares [Note 30(b)] \$'000	Foreign currency translation reserve (Note 31) \$'000	Statutory reserve fund (Note 32) \$'000	Fair value reserve (Note 33) \$'000	Retained earnings \$'000	Attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
2025									
Balance at 1 January 2025	38,864	(568)	(2,503)	3,992	(67)	26,479	66,197	15,413	81,610
Profit for the financial year	–	–	–	–	–	(520)	(520)	1,523	1,003
<u>Other comprehensive income/(loss)</u>									
– Foreign currency translation	–	–	(1,055)	–	–	–	(1,055)	(256)	(1,311)
Total comprehensive income/(loss) for the financial year	–	–	(1,055)	–	–	(520)	(1,575)	1,267	(308)
<u>Changes in ownership interests in a subsidiary</u>									
– Investment in subsidiary	–	–	–	–	–	–	–	21	21
Total changes in ownership interests in a subsidiary	–	–	–	–	–	–	–	21	21
<u>Others</u>									
– Transfer to statutory reserve fund	–	–	–	606	–	(606)	–	–	–
– Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(1,354)	(1,354)
Balance at 31 December 2025	38,864	(568)	(3,558)	4,598	(67)	25,353	64,622	15,347	79,969

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

Statements of Changes in Equity

For the financial year ended 31 December 2025

Group	Share capital [Note 30(a)] \$'000	Treasury shares [Note 30(b)] \$'000	Foreign currency translation reserve (Note 31) \$'000	Statutory reserve fund (Note 32) \$'000	Fair value reserve (Note 33) \$'000	Retained earnings \$'000	Attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
2024									
Balance at 1 January 2024	38,864	(568)	(2,733)	3,848	(67)	25,423	64,767	14,144	78,911
Profit for the financial year	–	–	–	–	–	2,051	2,051	1,725	3,776
<u>Other comprehensive income</u>									
– Foreign currency translation	–	–	223	–	–	–	223	23	246
Total comprehensive income for the financial year	–	–	223	–	–	2,051	2,274	1,748	4,022
<u>Contribution by and distributions to owners</u>									
– Dividends paid (Note 34)	–	–	–	–	–	(866)	(866)	–	(866)
Total transactions with owners via their capacity as owners	–	–	–	–	–	(866)	(866)	–	(866)
<u>Changes in ownership interests in subsidiaries</u>									
– Disposal of subsidiaries	–	–	22	(12)	–	12	22	(205)	(183)
Total changes in ownership interests in subsidiaries	–	–	22	(12)	–	12	22	(205)	(183)
<u>Others</u>									
– Transfer to statutory reserve fund	–	–	(15)	156	–	(141)	–	–	–
– Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(274)	(274)
Balance at 31 December 2024	38,864	(568)	(2,503)	3,992	(67)	26,479	66,197	15,413	81,610

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

Statements of Changes in Equity

For the financial year ended 31 December 2025

Company	Share capital [Note 30(a)] \$'000	Treasury shares [Note 30(b)] \$'000	Retained earnings/ (Accumulated losses) \$'000	Total equity \$'000
2025				
Balance at 1 January 2025	38,864	(568)	(1,953)	36,343
Total comprehensive income for the financial year	–	–	1,222	1,222
Balance at 31 December 2025	38,864	(568)	(731)	37,565
2024				
Balance at 1 January 2024	38,864	(568)	1,535	39,831
Total comprehensive loss for the financial year	–	–	(2,622)	(2,622)
<u>Distributions to owners</u>				
– Dividends paid (Note 34)	–	–	(866)	(866)
Total transactions with owners via their capacity as owners	–	–	(866)	(866)
Balance at 31 December 2024	38,864	(568)	(1,953)	36,343

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

Consolidated Cash Flow Statement

For the financial year ended 31 December 2025

	Note	Group 2025 \$'000	2024 \$'000
Cash flows from operating activities:			
Profit before tax		1,998	4,598
Adjustments for:			
Amortisation of government grants	5, 28	(69)	(70)
Gain on disposal of property, plant and equipment	5	(1)	(3)
Gain on disposal of a disposal group classified as held for sale	5	—	(46)
Loss on write-off of intangible assets	8	—	23
(Write-back)/allowance for impairment losses on financial assets	6, 22	(2)	45
Depreciation of property, plant and equipment	11	805	850
Depreciation of right-of-use assets	12(a)	332	401
Amortisation of intangible assets	8, 14	1,802	2,147
(Reversal)/allowance for slow moving inventories	8, 21	(43)	232
Reversal of write down of inventories to net realisable value	8, 21	—	(14)
Government loan written back	5	—	(144)
Share of loss of associate		440	216
Interest income	5	(42)	(64)
Finance costs	7	887	1,257
Unrealised foreign exchange (gain)/loss, net		(559)	74
Operating profit before working capital changes		5,548	9,502
<u>Decrease/(increase) in:</u>			
Trade receivables		2,218	(3,220)
Other receivables and prepayments		811	(356)
Inventories		3,244	(907)
<u>(Decrease)/increase in:</u>			
Trade payables		(172)	(778)
Other payables		(262)	(1,679)
Bills payable		(2,568)	1,171
Cash generated from operations		8,819	3,733
Interest expense paid		(752)	(1,114)
Interest income received		42	64
Income taxes paid		(826)	(511)
Net cash flows from operating activities		7,283	2,172

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

Consolidated Cash Flow Statement

For the financial year ended 31 December 2025

	Note	Group 2025 \$'000	2024 \$'000
Cash flows from investing activities:			
Proceeds from disposal of property, plant and equipment		1	7
Net cash outflow from disposal of a disposal group classified as held for sale		–	(933)
Purchase of property, plant and equipment	11	(885)	(1,057)
Additions to intangible assets	A	(377)	(299)
Additions to right-of-use assets		(6)	–
Investment in joint venture		(51)	–
Investment in subsidiary		21	–
Net cash flows used in investing activities		(1,297)	(2,282)
Cash flows from financing activities:			
Proceeds from loans and borrowings	27	5,266	11,602
Repayment of loans and borrowings	27	(6,833)	(12,023)
Decrease in amounts due to associate	27	(95)	(224)
Dividends paid	34	–	(866)
Dividends paid to non-controlling interests		(1,354)	(274)
Payment of principal portion of lease liabilities	12(b)	(233)	(264)
Payment of interest on lease liabilities	7, 12(b)	(135)	(143)
Net cash flows used in financing activities		(3,384)	(2,192)
Net increase/(decrease) in cash and cash equivalents		2,602	(2,302)
Cash and cash equivalents at beginning of financial year		10,013	12,226
Effect of exchange rate changes on the balance of cash held in foreign currencies		(154)	89
Cash and cash equivalents at end of financial year	24	12,461	10,013

Note A: During the current financial year, the Group acquired intangible assets with an aggregate cost of \$392,000 (2024: \$1,065,000) of which \$377,000 (2024: \$299,000) was paid in cash, whilst the remaining balance of \$15,000 [Note 26] (2024: \$766,000) remains unpaid and recorded under other payables.

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

Notes to the Financial Statements

For the financial year ended 31 December 2025

1. CORPORATE INFORMATION

AnnAik Limited (the Company) is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange.

The registered office and principal place of business of the Company is located at 52 Tuas Avenue 9, Singapore 639193.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries, associate and joint venture are disclosed in Notes 15, 16 and 17 to the financial statements respectively.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) [SFRS(I)s].

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$'000) except when otherwise indicated.

The financial statements of the Group and the Company have been prepared on the basis that they will continue to operate as a going concern.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group and the Company have adopted all the new and amended standards which are relevant to the Group and that are effective for annual financial period beginning on 1 January 2025. The adoption of these standards did not have any material effect on the financial statements of the Group and the Company.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Standards issued but not yet effective

The Group has not adopted the following new standards and amendments to standard that have been issued but not yet effective and have not been applied in preparing these financial statements:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 9 <i>Financial Instruments</i> and SFRS(I) 7 <i>Financial Instruments: Disclosures</i> : Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual improvement to SFRS(I)s – Volume 11	1 January 2026
Amendments to SFRS(I) 9 <i>Financial Instruments</i> and SFRS(I) 7: <i>Financial Instruments: Disclosures</i> : Contracts Referencing Nature-dependent Electricity	1 January 2026
SFRS(I) 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
SFRS(I) 19 <i>Subsidiaries without Public Accountability</i> : Disclosures	1 January 2027
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 1-28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of these new and amended standards above will have no material impact on the financial statements in the year of initial application.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Basis of consolidation and business combinations (Continued)

(b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

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

Notes to the Financial Statements

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 Foreign currency

The financial statements are presented in Singapore dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair values were measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss. For equity investment securities held at FVOCI, exchange differences arising from translation are recognised in other comprehensive income and included in fair value reserves.

(b) *Consolidated financial statements*

For consolidation purposes, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the average exchange rate for the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it 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.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.8 Associate and joint venture

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Associate and joint venture (Continued)

The Group accounts for its investments in associate and joint venture using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's and joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in associate and joint venture are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate and joint venture. The profit or loss reflects the share of results of the operations of the associate and joint venture. Distributions received from the associate and joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate and joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associate and joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint ventures.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in associate and joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investments in the associate and joint venture are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate and joint ventures are prepared as the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Freehold land has an unlimited useful life and therefore is not depreciated.

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

Buildings	– 30 and 40 years
Plant and equipment	– 5 to 10 years
Motor vehicles	– 5 to 8 years
Furniture, renovation, fixtures and equipment	– 5 to 10 years

Notes to the Financial Statements

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Property, plant and equipment (Continued)

The cost of construction-in-progress represents all costs, including borrowing costs, incurred on the construction of the assets. The accumulated costs will be reclassified to the appropriate property, plant and equipment account when the construction is completed. No depreciation is provided on construction-in-progress as these assets are not yet available for use.

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

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

The residual values, useful life and depreciation method are reviewed at least at the end of each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.10 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expenses on intangible assets with finite useful life is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising from derecognition of an intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in profit or loss when the asset is derecognised.

(a) *Patent rights*

The patent rights relate to purchase of the rights to use the Biological Trickling Filter patent in relation to rural wastewater treatment. The rights are amortised on a straight-line basis over the contractual life, from the date of purchase of such rights until 31 March 2026.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Intangible assets (Continued)

(b) *Concession rights*

Intangible asset representing consideration received for construction services provided under service concession arrangements is recognised to the extent that the Group has a right to charge fees for the usage of the wastewater treatment plants and is amortised on a straight-line basis over the concession period from commencement of the operation of the wastewater treatment plants.

(c) *Technical know-how*

Technical know-how is amortised on a straight-line basis over 10 years commencing from the date of completion of the wastewater treatment plant.

(d) *Club membership*

The useful life of club membership is indefinite as it is lifetime membership and has no dates of expiry.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.12 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Financial instruments (Continued)

(a) **Financial assets (Continued)**

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The two measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVOCI) are measured at FVPL. A gain or loss on debt instruments that is subsequently measured FVPL and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in FVOCI which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income.

For investments in equity instruments which the Group has not elected to present subsequent changes in FVOCI, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) **Financial liabilities**

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, net of directly attributable transaction costs.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Financial instruments (Continued)

(b) *Financial liabilities (Continued)*

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.13 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and fixed deposits which are subject to an insignificant risk of changes in value. These will also include bank overdrafts, if any, that form an integral part of the Group's cash management.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and conditions are accounted for as follows:

- Raw materials (for manufacturing products): purchase costs on a weighted average basis.
- Finished goods and work-in-progress (for manufacturing products): costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average basis.
- Trading goods (for distribution products and engineering): purchase costs on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Where the grant relates to an asset, the fair value is recognised as deferred government grants on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.18 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.13 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.19 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.20 Employee benefits

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations.

(a) *Defined contribution plans*

(i) Republic of Singapore (Singapore)

The Singapore companies in the Group make contributions to the Central Provident Fund (CPF) scheme in Singapore, a defined contribution pension scheme.

(ii) The People's Republic of China (PRC)

Subsidiaries incorporated and operating in the PRC are required to provide certain staff pension benefits to its employees under existing PRC legislation. Pension contributions are made at rates stipulated by PRC legislation to a pension fund managed by government agencies, who are responsible for administering these amounts for the subsidiaries' employees.

(iii) Malaysia

The Malaysia subsidiary in the Group makes contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme.

(b) *Employee leave entitlement*

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

Notes to the Financial Statements

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.21 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract have changed.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

(i) **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Leasehold land	– 24 years
Land use rights	– 50 years
Motor vehicles	– 2 to 8 years
Plant and equipment	– 4 to 7 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.11.

(ii) **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.21 Leases (Continued)

As lessee (Continued)

(iii) **Short-term leases**

The Group applies the short-term lease recognition exemption to its short-term leases of office and storage space (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain an option to extend). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The accounting policy for rental income is set out in Note 2.22(d).

2.22 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) **Sale of goods**

The Group sells stainless steel products. Revenue from the sale of goods is recognised when the goods are delivered to the customer and all performance obligations have been satisfied. Shipping services and sales of goods are determined as two separate performance obligations and are recognised at a point in time, upon the transfer of significant risks and rewards of ownership to the customers.

(b) **Service income from environmental business**

Service income of the Group's environmental business comprises (i) monthly meter readings and the minimum guaranteed sum from the local government on a monthly basis from the provision of wastewater treatment services, (ii) provision of consultancy services relating to environmental engineering and (iii) construction of wastewater treatment systems (construction contracts).

- Revenue from the provision of wastewater treatment services is recognised at a point in time when services have been rendered.
- Revenue from the provision of consultancy services is recognised over the period of the contract with customers.
- The Group has assessed that its construction contracts qualify for overtime recognition as the wastewater treatment systems have no alternative use for the Group and the Group has enforceable rights to payment for performance completed to-date. The stage of completion is assessed by reference to the contract costs incurred to-date in proportion to the estimated contract costs of each contract.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.22 Revenue (Continued)

(c) **Construction revenue**

Construction revenue relates to service concession arrangements entered by the subsidiaries in China with certain governing bodies of the government to construct and operate wastewater treatment plants. Such revenue is accounted for under SFRS(I) INT 12 Service Concession Arrangements. Construction revenue is recognised over time using the cost-based input method.

(d) **Rental income**

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

(e) **Interest income**

Interest income is recognised using the effective interest method.

2.23 Taxes

(a) **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) **Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and, at the time of transaction, does not give rise to equal taxable and deductible temporary differences; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associate and joint venture, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.23 Taxes (Continued)

(b) *Deferred tax (Continued)*

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and, at the time of transaction, does not give rise to equal taxable and deductible temporary differences; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associate and joint venture, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

In assessing the recoverability and/or recognition of deferred tax assets, the Group shall recognised deferred tax assets at the end of the reporting period if it is probable that the entity having such unutilised losses can generate taxable profits for three consecutive financial years, before management conclude that it is probable that the entity will have future taxable profits available to utilise these deferred tax assets.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they related to income taxes levied by the same taxation authority on the same taxable entity, or different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(c) *Value added tax (VAT) and Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of VAT/GST except:

- Where the VAT/GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT/GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of VAT/GST included.

The net amount of VAT/GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.24 Share capital and share issuance expenses

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

2.25 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.26 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

2.27 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payments.

2.28 Segment reporting

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Notes to the Financial Statements

For the financial year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.1 Judgements made in applying accounting policies

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

(a) ***Business registration of People's Republic of China entities***

The Group's operations in the PRC are governed by the legal system of the PRC. The PRC legal system is a codified system with written laws, regulations, rules and other regulatory documents. In the prior financial years, by virtue of ownership agreements entered with certain PRC individuals which resulted in changes to the Group's interest in its two subsidiaries based in PRC, the business registration files of these subsidiaries have not been amended accordingly to reflect the current shareholding structure.

Management has obtained legal advice that the current business registrations of the two subsidiaries do not expose the Group to any non-compliance with the PRC legal system. This understanding has been established and confirmed with the Group's appointed legal practitioner on an annual basis. Accordingly, the non-controlling interests are accounted for based on the equity interest in the concerned PRC entities taking into account the ownership agreements entered with the certain PRC individuals.

The non-controlling interests of the two subsidiaries attributable to the PRC individuals is approximately \$3,720,000 (2024: \$3,513,000).

(b) ***Income taxes***

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

(c) ***Determination of control and joint control***

Determining if an investor has power requires judgment and taking into account all facts and circumstances.

The Group has determined that for those subsidiaries that the Group owns less than 50% of the voting power, they are controlled by the Group as the Group is exposed to, or has rights to, variable returns from its involvement with the subsidiaries and has ability to affect those returns through its power over the subsidiaries.

Notes to the Financial Statements

For the financial year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.1 Judgements made in applying accounting policies (Continued)

(c) **Determination of control and joint control (Continued)**

Investment in Ichinose Emico Valves (S) Pte. Ltd.

The Group has a 50% direct equity interest in an entity, Ichinose Emico Valves (S) Pte. Ltd. (Ichinose), where the remaining 50% equity interest is equally held by two other unrelated parties. It is important to consider that the Group holds a large part of the votes, albeit not majority. There is no other single shareholder that holds more than the Group's voting interest in the investment. Further, it is noted that the relevant activities for the investment are decided by the board of directors, which is formed by two members appointed by the Group and remaining two from the other two shareholders. The Group's representative shall be appointed as chairman of board meetings and will be given a casting vote in the case of equality of votes. The quorum can be achieved through the attendance of 2 directors. Accordingly, management has determined that Ichinose is a subsidiary of the Group in view of the shareholder's rights and demonstration of control over the decisions of the relevant activities of the investment. Consequently, management has accounted for the investment in Ichinose as a subsidiary in accordance with Note 2.7 to the financial statements.

As at 31 December 2025, the carrying amount of the investment is \$363,000 (2024: \$363,000).

Investment in Shinsei Energy Sdn Bhd

The Group has a 30% direct equity interest in an entity, Shinsei Energy Sdn Bhd (SESB), where the remaining 70% equity interest is held by one other unrelated party. It is noted that the relevant activities for the investment are decided by the board of directors, which is formed by three members appointed by the Group and remaining one from the other shareholder. The Group's representative shall be appointed as chairman of board meetings and will be given a casting vote in the case of equality of votes. The quorum can be achieved through the attendance of 3 directors. Accordingly, management has determined that SESB is a subsidiary of the Group in view of the shareholder's rights and demonstration of control over the decisions of the relevant activities of the investment. Consequently, management has accounted for the investment in SESB as a subsidiary in accordance with Note 2.7 to the financial statements.

As at 31 December 2025, the carrying amount of the investment is \$9,000 (2024: Nil).

Further details on management's justification to demonstrate that the Group has control over subsidiaries where the Group owns less than 50% of the voting power are disclosed in Note 15.

(d) **Impairment of investments in subsidiaries and intangible assets**

The Company carries significant investments in subsidiaries and intangible assets at the end of the reporting period. Management exercises significant judgement in determining whether there is any indication that the subsidiaries and intangible assets may have been impaired or an impairment loss recognised on the subsidiaries and intangible assets in prior periods may no longer exist or may have decreased.

This exercise requires management to consider both internal and external sources of information. The indicators of impairment in the investments and intangible assets include but are not limited to significant adverse changes on the entities, significant increase in market interest rates and a worse than expected economic performance of the investments and intangible assets during the financial year. In contrast, the indicators of a reversal of impairment include but are not limited to significant favourable changes on the entities, significant decrease in market interest rates and a better than expected economic performance of the investments and intangible assets during the financial year.

Following an evaluation of the above, management concluded that there are no indications of impairment as at the reporting date and accordingly, no impairment assessment was required.

The carrying amount of investments in subsidiaries and intangible assets are disclosed in Note 15 and 14 respectively of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Impairment of goodwill*

The Group tests goodwill for impairment annually in accordance with Note 2.4(b) and whenever events or changes in circumstances indicate that goodwill may be impaired. For the purposes of assessment impairment, goodwill acquired in a business combination is allocated at acquisition to the cash-generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as described in Note 13 to the financial statements.

To determine whether there is an impairment of goodwill at the end of the reporting period, management has compared the carrying value of goodwill with the recoverable amount from the cash-generating unit to which the goodwill is allocated. The recoverable amount represents the present value of the estimated future cash flows expected to arise from the cash-generating unit. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 13.

(b) *Provision of expected credit losses of trade receivables*

The Group uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables. The provision rates are based on days past due for customer.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. A 5% difference in the ECLs from management's estimates would result in approximately increase/decrease of \$100 (2024: \$2,250) in the Group's profit before tax. The information about the ECLs on the Group's trade receivables is disclosed in Note 39(a).

The carrying amount of trade receivables as at 31 December 2025 is \$8,951,000 (2024: \$11,180,000) [Note 22].

(c) *Allowance for inventories*

The Group periodically reviews the net realisable value of its inventories to identify slow-moving, obsolete, or inventories which have a decline in net realisable value below cost. An allowance is recognised to write down such inventories to their net realisable value.

This assessment involves significant judgement and is based on factors including recent sales trends, aging of inventories, expected future demand and price competitions. Possible changes in these judgements could result in revisions to the valuation of inventories.

Based on management's policy, inventories with no sales movement within four years are fully provided for. At the end of the reporting period, an allowance for slow moving inventories of \$2,347,000 (2024: \$2,397,000) has been made (Note 21). A 5% increase/decrease in the allowance for slow moving inventories estimated by management would result in a decrease/increase of \$117,000 (2024: \$120,000) in the Group's profit before tax.

The carrying amount of inventories is disclosed in Note 21 of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2025

4. REVENUE

Disaggregation of revenue

Group

Segments	Sale of goods		Service income from environmental business		Construction revenue ⁽¹⁾		Total revenue	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Primary geographical markets								
Singapore	16,665	20,843	–	–	–	–	16,665	20,843
People's Republic of China	–	6	12,902	13,564	392	1,406	13,294	14,976
Malaysia and others	6,060	11,825	–	–	–	–	6,060	11,825
	22,725	32,674	12,902	13,564	392	1,406	36,019	47,644
Timing of transfer of goods or services								
At a point in time	22,725	32,674	12,902	13,564	–	–	35,627	46,238
Over time	–	–	–	–	392	1,406	392	1,406
	22,725	32,674	12,902	13,564	392	1,406	36,019	47,644

(1) Amount relating to services for the construction of assets being operated under service concession arrangements is further described in Note 42.

5. OTHER INCOME

	Note	Group	
		2025 \$'000	2024 \$'000
Amortisation of government grants	28	69	70
Interest income		42	64
Income from government subsidies	A	211	225
Management fee income charged to external parties		196	178
Commission income		277	–
Rental income		–	25
Gain on disposal of property, plant and equipment		1	3
Gain on disposal of a disposal group classified as held for sale		–	46
Government loan written back	27	–	144
VAT refund income		156	565
Others		373	313
		1,325	1,633

Note A – Income from government subsidies

Government subsidies relate mainly to:

- Grant income received from local government of the jurisdiction where the subsidiaries operate wastewater plants in the PRC;
- Wage Credit Scheme subsidy for Singaporeans' wages increment;
- Senior Employment Credit subsidy for hiring Singaporeans aged above 50.

Notes to the Financial Statements

For the financial year ended 31 December 2025

6. (WRITE-BACK)/ALLOWANCE FOR IMPAIRMENT LOSSES ON FINANCIAL ASSETS

		Group	
	Note	2025 \$'000	2024 \$'000
(Write-back)/allowance on:			
– Trade receivables	22	(2)	45

7. FINANCE COSTS

		Group	
		2025 \$'000	2024 \$'000
Interest expense on:			
– Bank loans		752	1,114
– Lease liabilities [Note 12(c)]		135	143
		887	1,257

8. PROFIT BEFORE TAX

Profit before tax is stated after charging/(crediting):

		Group	
	Note	2025 \$'000	2024 \$'000
Amortisation of intangible assets	14	1,802	2,147
Loss on write-off of intangible assets		–	23
Depreciation of property, plant and equipment	11	805	850
Depreciation of right-of-use assets	12(a)	332	401
Directors' fees paid to the directors of the Company		124	113
Employee benefits expense	A	5,865	6,386
Net foreign exchange (gain)/loss		(86)	126
Rental expense relating to short-term leases	12(c)	9	8
(Reversal)/allowance for slow moving inventories	21	(43)	232
Reversal of write down of inventories to net realisable value	21	–	(14)
Audit fees:			
– Paid to Auditors of the Company		127	127
– Paid to member firms of Company's Auditors		95	95
– Paid to other Auditors		17	19

Note A – Employee benefits expense

	Group	
	2025 \$'000	2024 \$'000
Employee benefit expense (including directors):		
Salaries, bonuses and other benefits	5,346	5,891
Defined contribution plans	519	495
	5,865	6,386

Notes to the Financial Statements

For the financial year ended 31 December 2025

8. PROFIT BEFORE TAX (CONTINUED)

Presented in the consolidated income statement as:

	Group	
	2025 \$'000	2024 \$'000
Cost of sales	289	276
Administrative expenses	5,204	5,729
Distribution expenses	372	381
	5,865	6,386

9. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 December 2025 and 2024 are:

	Group	
	2025 \$'000	2024 \$'000
Consolidated income statement		
<i>Current taxation:</i>		
– Current income taxation	826	1,028
– Over provision in respect of prior years	(35)	(191)
	791	837
<i>Deferred taxation (Note 29):</i>		
– Origination and reversal of temporary differences	101	(25)
<i>Withholding tax expense</i>	103	10
Income tax expense recognised in profit or loss	995	822

Reconciliation between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2025 and 2024 are as follows:

	Group	
	2025 \$'000	2024 \$'000
Profit before tax	1,998	4,598
Tax at domestic rates applicable to profits in the countries where the Group operates ⁽¹⁾	287	212
Tax adjustments:		
Non-deductible expenses	1,092	831
Income not subject to taxation	(790)	(79)
Effect of partial tax exemption	(89)	(118)
Tax effect of share of results of associates	75	37
Deferred tax assets not recognised	334	131
Over provision of income tax in respect of prior years	(35)	(191)
Withholding tax on foreign sourced income	103	10
Others	18	(11)
Income tax expense recognised in profit or loss	995	822

(1) The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

Notes to the Financial Statements

For the financial year ended 31 December 2025

9. INCOME TAX EXPENSE (CONTINUED)

(a) *Entities incorporated in People's Republic of China*

ChangXing Angwei Environmental & Ecological Engineering Co., Ltd, ChangXing AnnYi Wastewater Treatment Co., Ltd, ChangXing Lijiayang New Era Wastewater Treatment Co., Ltd and Shuanglin (Huzhou) Wastewater Treatment, Co. Ltd

As part of the PRC government's efforts to promote the development and growth of environmental-related businesses, the local tax authorities announced an incentive whereby the corporate tax rate for businesses engaged in environmental-related businesses will be reduced to 15%.

Other PRC entities

The applicable income tax rates for the remaining PRC entities are 5% and 25%.

(b) *Entities incorporated in Singapore, South Korea and Malaysia*

The applicable income tax rate for Singapore, South Korea and Malaysia incorporated companies is 17%, 10% and 24% respectively.

(c) *Group relief*

The loss-transfer system of group relief (group relief system) for companies was introduced in Singapore with effect from year of assessment 2003. Under the group relief system, a company belonging to a group may transfer its current year unabsorbed tax losses to another company belonging to the same group, to be deducted against the assessable income of the latter company, subject to compliance with the relevant rules and procedures and agreement of the Inland Revenue Authority of Singapore.

(d) *Unrecognised tax losses, capital allowances and donations*

At the end of the reporting period, the Group has tax losses, capital allowances and donations of approximately \$8,270,000 (2024: \$6,657,000), \$217,000 (2024: \$217,000) and \$5,000 (2024: \$5,000) respectively that are available for offset against future taxable profits of the Singapore entities within the Group in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses and capital allowances are subject to the agreement of the tax authorities and compliance with certain provision of the tax legislations of Singapore in which the companies operate. The tax losses and capital allowances in Singapore have no expiry date.

Notes to the Financial Statements

For the financial year ended 31 December 2025

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing (loss)/profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing (loss)/profit, net of tax, attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflect the (loss)/profit and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 December 2025 and 2024:

	Group	
	2025	2024
(Loss)/profit, net of tax, attributable to owners of the Company used in the computation of basic and diluted earnings per share (\$'000)	(520)	2,051
Number of shares ('000)		
Weighted average number of ordinary shares for basic and diluted earnings per share computation	288,520	288,520
Earnings per share (cents per share)		
Basic and diluted	(0.18)	0.71

Notes to the Financial Statements

For the financial year ended 31 December 2025

11. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Furniture, renovation, fixtures and equipment \$'000	Construction- in-progress \$'000	Total \$'000
Cost:						
At 1 January 2024	15,946	3,983	1,268	1,348	342	22,887
Additions	–	96	7	654	300	1,057
Disposals	–	(20)	–	(15)	–	(35)
Reclassified to right-of- use assets (Note 12)	–	–	–	–	(510)	(510)
Transfer	–	133	–	6	(139)	–
Exchange differences	–	84	6	12	7	109
At 31 December 2024 and 1 January 2025	15,946	4,276	1,281	2,005	–	23,508
Additions	–	450	114	49	272	885
Disposals	–	–	(154)	(1)	–	(155)
Reclassified to right-of- use assets (Note 12)	–	–	–	–	(81)	(81)
Transfer	–	35	–	–	(35)	–
Exchange differences	–	(158)	(47)	(26)	1	(230)
At 31 December 2025	15,946	4,603	1,194	2,027	157	23,927
Accumulated depreciation:						
At 1 January 2024	5,501	2,563	1,240	1,167	–	10,471
Depreciation charge for the financial year (Note 8)	559	182	34	75	–	850
Disposals	–	(10)	–	(14)	–	(24)
Exchange differences	–	38	6	9	–	53
At 31 December 2024 and 1 January 2025	6,060	2,773	1,280	1,237	–	11,350
Depreciation charge for the financial year (Note 8)	539	148	40	78	–	805
Disposals	–	–	(154)	(1)	–	(155)
Exchange differences	–	(74)	(45)	(19)	–	(138)
At 31 December 2025	6,599	2,847	1,121	1,295	–	11,862

Notes to the Financial Statements

For the financial year ended 31 December 2025

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Furniture, renovation, fixtures and equipment \$'000	Construction- in-progress \$'000	Total \$'000
Accumulated impairment loss:						
At 1 January 2024	–	830	–	–	–	830
Disposals	–	(6)	–	–	–	(6)
Exchange differences	–	27	–	–	–	27
At 31 December 2024 and 1 January 2025	–	851	–	–	–	851
Exchange differences	–	(48)	–	–	–	(48)
At 31 December 2025	–	803	–	–	–	803
Carrying amount:						
At 31 December 2024	9,886	652	1	768	–	11,307
At 31 December 2025	9,347	953	73	732	157	11,262

Company	Office equipment \$'000
Cost:	
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	18
Accumulated depreciation:	
At 1 January 2024	10
Depreciation charge for the financial year	3
At 31 December 2024 and 1 January 2025	13
Depreciation charge for the financial year	3
At 31 December 2025	16
Carrying amount:	
At 31 December 2024	5
At 31 December 2025	2

The Group's cash outflow on acquisition of property, plant and equipment amounted to \$885,000 (2024: \$1,057,000).

Assets pledged as security

At the reporting date, the Group's buildings with a carrying amount of \$9,347,000 (2024: \$9,886,000) are mortgaged to secure the Group's bank loans (Note 27).

Particulars of properties held by the Group as at 31 December 2025 are as follows:

Location	Description
52 Tuas Avenue 9, Singapore 639193	One 2-storey office building with a single storey warehouse attached and one 2-storey warehouse with mezzanine floor built on land area of 11,633 square meters

Notes to the Financial Statements

For the financial year ended 31 December 2025

12. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

The Group has lease contracts for various items of leasehold land, land use rights, motor vehicles and plant and equipment used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

(a) *Carrying amount of right-of-use assets*

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

Group	Leasehold land \$'000	Land use rights \$'000	Motor vehicles \$'000	Plant and equipment \$'000	Total \$'000
Cost:					
At 1 January 2024	2,998	1,580	625	677	5,880
Additions	–	–	–	11	11
Reclassified from property, plant and equipment (Note 11)	–	–	–	510	510
Exchange differences	–	–	(2)	23	21
At 31 December 2024 and 1 January 2025	2,998	1,580	623	1,221	6,422
Additions	–	–	126	409	535
Reclassified from property, plant and equipment (Note 11)	–	–	–	81	81
Written off	–	–	(24)	–	(24)
Exchange differences	–	(25)	(3)	(62)	(90)
At 31 December 2025	2,998	1,555	722	1,649	6,924
Accumulated depreciation:					
At 1 January 2024	602	452	545	316	1,915
Depreciation charge for the financial year (Note 8)	135	40	80	146	401
Exchange differences	–	–	(2)	18	16
At 31 December 2024 and 1 January 2025	737	492	623	480	2,332
Depreciation charge for the financial year (Note 8)	127	34	4	167	332
Written off	–	–	(24)	–	(24)
Exchange differences	–	(8)	(2)	(35)	(45)
At 31 December 2025	864	518	601	612	2,595
Carrying amount:					
At 31 December 2024	2,261	1,088	–	741	4,090
At 31 December 2025	2,134	1,037	121	1,037	4,329

(b) *Lease liabilities*

Set out below are the carrying amounts of lease liabilities:

	Group	
	2025 \$'000	2024 \$'000
Current	343	220
Non-current	2,765	2,585
	3,108	2,805

Notes to the Financial Statements

For the financial year ended 31 December 2025

12. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONTINUED)

(b) *Lease liabilities (Continued)*

A reconciliation of liabilities arising from the Group's financing activities is as follows:

	2024 \$'000	Cash flows \$'000	New leases \$'000	Non-cash changes			2025 \$'000
				Foreign exchange movement \$'000	Accretion of interest \$'000	Others \$'000	
Lease liabilities							
– current	220	(368)	528	–	135	(172)	343
– non-current	2,585	–	–	8	–	172	2,765

	2023 \$'000	Cash flows \$'000	New leases \$'000	Non-cash changes			2024 \$'000
				Foreign exchange movement \$'000	Accretion of interest \$'000	Others \$'000	
Lease liabilities							
– current	264	(407)	11	–	143	209	220
– non-current	2,784	–	–	10	–	(209)	2,585

The 'others' column relates to reclassification of non-current portion of lease liabilities due to passage of time.

(c) *Amounts recognised in profit or loss*

The following are the amounts recognised in profit or loss:

	2025 \$'000	2024 \$'000
Depreciation of right-of-use assets	332	401
Interest expense on lease liabilities (Note 7)	135	143
Expense relating to short-term leases (included in administrative expenses) [Note 8]	9	8
Total amount recognised in profit or loss	476	552

(d) *Total cash outflow*

The Group had total cash outflows for leases of \$377,000 (2024: \$415,000) for the financial year ended 31 December 2025.

Notes to the Financial Statements

For the financial year ended 31 December 2025

13. GOODWILL

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU that is expected to benefit from that business combination. The carrying amount of the goodwill that is associated with the Group's wastewater treatment business is as follows:

	Group	
	2025 \$'000	2024 \$'000
AngWei Environmental Ecological & Engineering (Shanghai) Co., Ltd (AngWei Enviro) and its subsidiaries ⁽¹⁾	497	497

(1) This relates to the wastewater treatment business of specific subsidiaries within the Group, which arose from the service concession rights granted by the PRC government as disclosed in Note 42 to the financial statements.

The recoverable amount of AngWei Enviro Group has been determined based on value in use calculation using cash flow projections from the financial budgets approved by management. This cash flow projections cover the remaining concession periods, useful lives of the wastewater treatment plant as well as the rights to draw water operated by the CGU, ranging from 13 – 22 years (2024: 14 – 23 years).

Key assumptions used for the value in use calculation

	Group	
	2025 %	2024 %
Revenue growth rate ⁽¹⁾	0	0
Pre-tax discount rate ⁽²⁾	8	10
Budgeted gross profit margins ⁽³⁾	55 – 57	52 – 63

(1) Projected revenue for wastewater treatment plant is based on government guarantee stated in the service concession agreement with the local government.

(2) Pre-tax discount rate was determined with reference to the discount rates used by industry peers which is based on weighted average cost of capital (WACC). The WACC takes into account both the cost of debt and equity used by entities in similar industries.

(3) Budgeted gross profit margins is based on results achieved in the year preceding the start of the budget period.

Sensitivity to changes in key assumptions:

With regards to the assessment of value in use for AngWei Enviro, management believes that no reasonable possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

Notes to the Financial Statements

For the financial year ended 31 December 2025

14. INTANGIBLE ASSETS

Group	Patent rights \$'000	Concession rights \$'000	Technical know-how \$'000	Total \$'000
Cost:				
At 1 January 2024	3,732	47,610	373	51,715
Additions	–	1,065	–	1,065
Written off	–	(47)	–	(47)
Exchange differences	–	(13)	–	(13)
At 31 December 2024 and 1 January 2025	3,732	48,615	373	52,720
Additions	–	392	–	392
Other adjustments*	–	(847)	–	(847)
Exchange differences	–	(772)	(6)	(778)
At 31 December 2025	3,732	47,388	367	51,487
Accumulated amortisation:				
At 1 January 2024	3,053	12,658	373	16,084
Amortisation charge for the financial year (Note 8)	340	1,807	–	2,147
Written off	–	(24)	–	(24)
Exchange differences	–	7	–	7
At 31 December 2024 and 1 January 2025	3,393	14,448	373	18,214
Amortisation charge for the financial year (Note 8)	339	1,463	–	1,802
Exchange differences	–	(224)	(6)	(230)
At 31 December 2025	3,732	15,687	367	19,786
Carrying amount:				
At 31 December 2024	339	34,167	–	34,506
At 31 December 2025	–	31,701	–	31,701

* Other adjustments represent the revision of previously capitalised costs after the final settlement (i.e. which is the difference between amount capitalised and invoiced).

Company	Patent rights \$'000
Cost:	
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	3,732
Accumulated amortisation:	
At 1 January 2024	3,053
Amortisation charge for the financial year	340
At 31 December 2024 and 1 January 2025	3,393
Amortisation charge for the financial year	339
At 31 December 2025	3,732
Carrying amount:	
At 31 December 2024	339
At 31 December 2025	–

Notes to the Financial Statements

For the financial year ended 31 December 2025

14. INTANGIBLE ASSETS (CONTINUED)

Patent rights

The patent rights relate to the rights to use the Biological Trickling Filter patent in relation to rural wastewater treatment. The rights are amortised on a straight-line basis over the remaining contractual life of 1 year (2024: 2 years), until 31 March 2026.

Concession rights

The Group has service concession rights from and obligations to, certain governing bodies and agencies in the PRC to construct and operate industrial wastewater treatment plants in Lijiaxiang Town, Zhicheng Town, Lincheng Town, Wushan Town and Shuanglin Town, Zhejiang Province in the PRC for pre-determined periods. These concession rights are for periods of 27 to 50 years (Note 42).

The cost of the concession rights is amortised on a straight-line basis over the concession period from the commencement of the operations of each respective wastewater treatment plant and is charged to cost of sales in the consolidated income statement. Concession rights have an estimated remaining useful life of 11 to 43 years (2024: 12 to 44 years) at the end of the financial year.

Technical know-how

This refers to technical know-how for the treatment of industrial wastewater paid by a subsidiary. The cost of the technical know-how is amortised on a straight-line basis over 10 years commencing from the date of completion of the wastewater treatment plant and is charged to administrative expenses in the consolidated income statement. Technical know-how has been fully amortised.

Cash outflow on acquisition of intangible assets

The cash outflow on the acquisition of intangible assets during the financial year amounted to \$377,000 (2024: \$299,000).

Impairment assessment

Based on management's assessment at the end of the reporting period, no indicators of impairment were identified.

15. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 \$'000	2024 \$'000
Unquoted equity shares, at cost	27,485	27,485
Less: Allowance for impairment	(4,761)	(4,761)
	22,724	22,724
Loans and receivables		
Amounts due from subsidiaries (non-trade)	6,157	6,157
Carrying amount of investments in subsidiaries	28,881	28,881

The amounts due from subsidiaries are unsecured, non-interest bearing, repayable at the option of the subsidiaries, not expected to be repaid within the next 12 months and is to be settled in cash. These amounts are considered as an extension of the Company's not investments in subsidiaries.

Notes to the Financial Statements

For the financial year ended 31 December 2025

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Movements in the allowance for impairment for investments in subsidiaries are as follows:

	Company	
	2025 \$'000	2024 \$'000
At 1 January	4,761	3,947
Allowance [Note 15(f)]	–	967
Disposal of a subsidiary [Note 15(d)]	–	(153)
At 31 December	4,761	4,761

(a) *Composition of the Group*

The Group has the following investments in subsidiaries:

Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest	
			2025 %	2024 %
<i>Held directly by the Company</i>				
AnnAik & Partners (S) Pte. Ltd. (AA Partners) ⁽¹⁾	Singapore	Investment holding	100	100
Anxon Eco Holdings Pte. Ltd. (Anxon Eco) ⁽¹⁾	Singapore	Investment holding	100	100
Anxon Engineering Pte.Ltd. ⁽¹⁾	Singapore	Designing, contracting and management of engineering projects	100	100
Anxon Environmental Pte. Ltd. (Anxon Enviro) ⁽¹⁾	Singapore	Investment holding	100	100
Anxon Oasis Pte. Ltd. (Anxon Oasis) ⁽¹⁾	Singapore	Marketing and sale of steel related products	100	100
Anxon Envirotech Pte. Ltd. (Anxon Envirotech) ⁽¹⁾	Singapore	Investment holding	100	100
Ann Aik Pte. Ltd. ⁽¹⁾	Singapore	Marketing and sale of steel related products	100	100
Shinsei Holdings Pte. Ltd. (SHPL) ⁽¹⁾	Singapore	Investment holding	100	100
Ichinose Emico Valves (S) Pte. Ltd. ⁽¹⁾	Singapore	Marketing and sale of steel related products	50	50
Metal Wang Pte. Ltd. (MWPL) ⁽¹⁾	Singapore	Wholesale of metals and metal ores	100	100

Notes to the Financial Statements

For the financial year ended 31 December 2025

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Composition of the Group (Continued)

Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest	
			2025 %	2024 %
<i>Held through AA Partners</i>				
AnnAik Pipes & Fittings (Shanghai) Co., Ltd. (AA Shanghai) ⁽²⁾	PRC	Marketing and sale of steel related products and provision of import and export agency services	100	100
<i>Held through AA Shanghai</i>				
ZheJiang ShengTai Environmental Technology Co., Ltd. ⁽²⁾	PRC	Development of environmental technologies and environmental engineering	55	55
<i>Held through Anxon Enviro</i>				
AngWei Environmental Ecological & Engineering (Shanghai) Co., Ltd. (AngWei Enviro) ⁽²⁾	PRC	Owning and management of wastewater treatment plants	66	66
ChangXing AngWei Environmental & Ecological Engineering Co., Ltd. (CXAW) ⁽²⁾	PRC	Owning and management of wastewater treatment plants	66	66
Shuanglin (Huzhou) Wastewater Treatment Co., Ltd. (Shuanglin) ⁽²⁾	PRC	Owning and management of wastewater treatment plants	62	62
ChangXing Xin Yi Wastewater Treatment Co., Ltd ⁽⁵⁾	PRC	Dormant	100	–
<i>Held through AngWei Enviro</i>				
ChangXing Lijiaxiang New Era Wastewater Treatment Co., Ltd. (LJX) ⁽²⁾	PRC	Owning and management of wastewater treatment plant	66	66

Notes to the Financial Statements

For the financial year ended 31 December 2025

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Composition of the Group (Continued)

Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest	
			2025 %	2024 %
Held through LJX				
ChangXing Annyi Wastewater Treatment Co., Ltd. (CXAY) ⁽²⁾	PRC	Owning and management of wastewater treatment plant	66	66
ChangXing Hengyi Wastewater Treatment Co., Ltd. ⁽²⁾	PRC	Owning and management of wastewater treatment plant	66	66
Held through Anxon Eco				
ChangXing LinSheng Wastewater Treatment Co., Ltd. (CXLS) ⁽²⁾	PRC	Owning and management of wastewater treatment plant	88	88
Held through CXLS				
ChangXing Wusheng Wastewater Treatment Co., Ltd. ⁽²⁾	PRC	Owning and management of wastewater treatment plant	88	88
ChangXin LinYi Wastewater Treatment Co., Ltd. ⁽²⁾	PRC	Owning and management of wastewater treatment plant	70	70
Held through SHPL				
Shinsei Industry Sdn. Bhd. ⁽³⁾	Malaysia	Production of steel flanges and related products	100	100
Held through MWPL				
Handel Co., Ltd. ⁽⁴⁾	South Korea	Wholesale of metals and metal ores	60	60
Held through Anxon Oasis				
Shinsei Energy Sdn. Bhd. ^{(3),(6)}	Malaysia	Dormant	30	—

(1) Audited by UHY Lee Seng Chan & Co, Singapore.

(2) Audited by ZhongHua Certified Public Accountants LLP, People's Republic of China, for the purpose of inclusion of the entities' results into the Group's consolidated financial statements.

(3) Audited by UHY Chartered Accountants, Penang, Malaysia.

(4) The entity has ceased its business operations on 13 October 2022 and is in the process of winding up.

(5) On 10 October 2025, the Group through its wholly-owned subsidiary, Anxon Environmental Pte. Ltd., incorporated a subsidiary, ChangXing Xin Yi Wastewater Treatment Co., Ltd. The registered share capital of RMB10,000,000 remains unpaid and the entity has not commenced operations since the date of incorporation.

(6) On 26 May 2025, the Group through its wholly-owned subsidiary, Anxon Oasis Pte. Ltd., incorporated a subsidiary, Shinsei Energy Sdn. Bhd. (SESB) with an initial share capital of MYR1,000 representing a 30% equity interest. On 24 July 2025, SESB increased its share capital to MYR100,000. The Group maintained its 30% equity interest, representing a total investment of MYR30,000 (equivalent to \$9,000).

Notes to the Financial Statements

For the financial year ended 31 December 2025

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) *Composition of the Group (Continued)*

For those subsidiaries that the Group owns less than 50% of the shareholding, they are controlled by the Group as the Group is exposed to, or has rights to, variable returns from its involvement with the subsidiaries and has ability to affect those returns through its power over the subsidiaries via shareholders' agreement.

The Group assessed the terms and conditions of the shareholders' agreement of subsidiaries that are not wholly-owned by the Group. The Group made critical judgements over:

- (i) their ability to exercise power over its investees;
- (ii) their exposure or rights to variable returns for its investments with those investees; and
- (iii) their ability to use its power to affect those returns.

The Group's judgement included considerations of their power exercised at the board of the respective investees and rights and obligations arising from board reserve of matters as agreed with the other shareholders.

Significant restrictions

The nature and extent of significant restrictions on the Group's ability to use or access assets and settle liabilities of subsidiaries with material non-controlling interests are:

Cash and bank balances of \$6,816,000 (2024: \$5,816,000) held in PRC are subject to local exchange control regulations. These regulations place restriction on the amount of currency being exported other than through dividends.

(b) *Capital reduction by a subsidiary, without a change in control*

In the previous financial year, MWPL reduced its share capital by \$200,000 through the cancellation of unpaid shares. Accordingly, the Company recognised a corresponding reduction in its investment in MWPL. This was accounted for as a non-cash transaction.

(c) *Incorporation of a subsidiary*

- (i) On 26 May 2025, the Company through its wholly-owned subsidiary, Anxon Oasis Pte. Ltd. (Anxon), together with Ms. Danielela Dhanita Binti Amran (Ms. Danielela), incorporated a subsidiary in Malaysia, Shinsei Energy Sdn. Bhd. (Shinsei Energy), with an initial issued and paid-up share capital of MYR1,000 comprising 1,000 ordinary shares. The initial shareholding structure was 30% held by Anxon and 70% held by Ms. Danielela. Subsequently, on 24 July 2025, the share capital of Shinsei Energy was increased to MYR100,000 through the issuance of an additional 99,000 ordinary shares. The shareholding structure remained unchanged with 30% held by Anxon and 70% held by Ms. Danielela.
- (ii) On 10 October 2025, the Company through its wholly-owned subsidiary, Anxon Environmental Pte Ltd, has incorporated a 100%-owned subsidiary, ChangXing XinYi Wastewater Treatment Co., Ltd. in the People's Republic of China with a registered share capital of RMB10 million.

(d) *Disposal of a subsidiary*

In the previous financial year, the Company completed the disposal of a fully impaired 51% owned subsidiary (disposal group classified as held for sale) to a third party for a total consideration of \$220,000. The Group recognised a gain on disposal of \$46,000 in profit and loss (Note 5).

Notes to the Financial Statements

For the financial year ended 31 December 2025

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(e) *Subsidiaries with material non-controlling interests (NCI)*

The Group has the following subsidiaries that have material non-controlling interests.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI %	Profit allocated to NCI during the reporting period \$'000	Accumulated NCI at the end of reporting period \$'000
31 December 2025				
Shuanglin	PRC	38	371	3,894
CXAW	PRC	34	356	2,792
CXAY	PRC	34	130	2,265
LJX	PRC	34	299	3,472
31 December 2024				
Shuanglin	PRC	38	258	3,664
CXAW	PRC	34	537	3,285
CXAY	PRC	34	160	2,676
LJX	PRC	34	395	3,283

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised income statements and statements of comprehensive income

	Shuanglin		CXAW	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Revenue	3,316	4,234	2,824	3,302
Profit before tax	1,321	972	1,281	1,905
Income tax expense	(201)	(148)	(193)	(286)
Profit after tax, representing total comprehensive income	1,120	824	1,088	1,619
	CXAY		LJX	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Revenue	1,449	1,447	2,673	2,598
Profit before tax	451	555	2,644	1,995
Income tax expense	(68)	(85)	(287)	(77)
Profit after tax, representing total comprehensive income	383	470	2,357	1,918

Notes to the Financial Statements

For the financial year ended 31 December 2025

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(e) *Subsidiaries with material non-controlling interests (NCI) (Continued)*

Summarised balance sheets

	Shuanglin		CXAW	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Current				
Assets	4,877	5,014	5,095	4,596
Liabilities	(1,727)	(2,668)	(3,256)	(1,686)
Net current assets	3,150	2,346	1,839	2,910
Non-current				
Assets	7,938	8,672	6,677	7,074
Liabilities	(840)	(1,375)	(303)	(322)
Net non-current assets	7,098	7,297	6,374	6,752
Net assets	10,248	9,643	8,213	9,662

	CXAY		LJX	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Current				
Assets	4,618	5,340	5,235	4,836
Liabilities	(1,016)	(710)	(3,126)	(3,589)
Net current assets	3,602	4,630	2,109	1,247
Non-current				
Assets	3,059	3,241	8,499	9,195
Liabilities	–	–	(395)	(786)
Net non-current assets	3,059	3,241	8,104	8,409
Net assets	6,661	7,871	10,213	9,656

Other summarised information

	Shuanglin		CXAW	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Net cash flows from operations	1,967	1,161	1,192	930

	CXAY		LJX	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Net cash flows from operations	918	1,228	567	261

(f) *Impairment testing of investments in subsidiaries*

During the previous financial year, management carried out a review of the recoverable amount of its investments in subsidiaries. Arising from this review, an impairment loss of \$967,000 was recognised in profit or loss for the financial year ended 31 December 2024.

In the current financial year, management has considered both internal and external sources of information and concluded that there are no indications of impairment [Note 3.1(d)].

Notes to the Financial Statements

For the financial year ended 31 December 2025

16. INVESTMENT IN ASSOCIATE

	Group	
	2025 \$'000	2024 \$'000
Shanghai Onway Environmental Development Co., Ltd Group	9,009	9,603

The detail of the investment in associate is summarised below:

Name of associate	Country of incorporation	Principal activities	Proportion of ownership	
			2025 %	2024 %
<i>Held through Anxon Envirotech</i>				
Shanghai Onway Environmental Development Co., Ltd (Shanghai Onway) ⁽¹⁾	PRC	Provision of equipment in rural wastewater treatment	25	25
<i>Held through Shanghai Onway</i>				
ZheJiang XinYu Environmental Technology Pte Ltd ⁽¹⁾	PRC	Provision of engineering, procurement and construction activities in relation to wastewater treatment	25	25

(1) Audited by ZhongHua Certified Public Accountants LLP, People's Republic of China, for the purpose of inclusion of the entities' results into the Group's consolidated financial statements.

The summarised financial information of material associate based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Shanghai Onway Group	
	2025 \$'000	2024 \$'000
Summarised balance sheet		
Current assets	41,888	43,801
Non-current assets	20,768	21,513
Total assets	62,656	65,314
Current liabilities	10,132	9,426
Non-current liabilities	11,593	12,444
Total liabilities	21,725	21,870
Net assets	40,931	43,444
Non-controlling interest of Shanghai Onway Group	(4,894)	(5,030)
Net assets attributable to the Group	36,037	38,414
Proportion of the Group's ownership	25%	25%
Carrying amount of the investment	9,009	9,603

Notes to the Financial Statements

For the financial year ended 31 December 2025

16. INVESTMENT IN ASSOCIATE (CONTINUED)

Summarised income statement and statement of comprehensive income

	Shanghai Onway Group	
	2025	2024
	\$'000	\$'000
Revenue	2,375	4,433
Loss after tax	(1,762)	(865)
Other comprehensive loss	(614)	(19)
Total comprehensive loss	(2,376)	(884)

17. INVESTMENT IN JOINT VENTURE

	Group and Company	
	2025	2024
	\$'000	\$'000
Anxon Ecotech Pte. Ltd.	51	— *

* Amount is less than one thousand.

The detail of the investment in joint venture is summarised below:

Name of joint venture	Country of incorporation	Principal activities	Proportion of ownership	
			2025 %	2024 %
<i>Held directly by the Company</i>				
Anxon Ecotech Pte. Ltd. ⁽¹⁾	Singapore	Dormant	51	51

(1) On 28 November 2024, the Group entered into a joint venture with Anhui Huaqi Environmental Protection & Technology Co., Ltd to incorporate Anxon Ecotech Pte. Ltd. and held 51% of ownership. The entity was exempted from audit during the financial year as it was newly incorporated. On 26 June 2025, the entity's share capital was increased from \$100 to \$1,000,000 comprising 100,000 paid-up ordinary shares and 900,000 unpaid ordinary shares. Following the capital increase, the Group maintained its 51% equity interest, representing a total investment of \$51,000.

18. INVESTMENT SECURITIES

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At fair value through other comprehensive income				
– Equity securities (unquoted)				
Unquoted investment ⁽¹⁾	—	—	—	—
Series A of Atlas Fund, LLC., ⁽²⁾	—	—	—	—
	—	—	—	—

Notes to the Financial Statements

For the financial year ended 31 December 2025

18. INVESTMENT SECURITIES (CONTINUED)

Investment securities comprise the following:

- (1) The Company holds 17.6% equity interest in an unquoted investment which is incorporated in Singapore. The investee is engaged in property development activities in PRC. Given the investee company is loss making and is in a significant net liability position, management has accorded a Nil balance for the investment.
- (2) In prior financial years, the Company's wholly-owned subsidiary, AnnAik & Partners (S) Pte. Ltd. subscribed to 2.85% membership interest in Series A of Atlas Fund, LLC., incorporated in Delaware, for a consideration of \$67,000. Management is of the view that the fair value of this investment is approximately Nil as at the end of the reporting period.

The Group and the Company have elected to measure the equity securities at fair value through other comprehensive income due to the Group and the Company's intention to hold these equity instruments as long-term investments.

19. CLUB MEMBERSHIP

	Group and Company	
	2025	2024
	\$'000	\$'000
Club membership, at cost (indefinite life)	190	190

20. REFUNDABLE DEPOSITS

These are funds deposited with the respective town governments in the ChangXing County, Zhejiang Province, People's Republic of China to secure the rights to use the allocated land for an agreed period to build and operate wastewater treatment plants under build-operate-transfer contracts over a period of 30 years. These funds deposited are not expected to be refundable to the Group within the next twelve months.

These refundable deposits will be refunded upon expiration of the concession rights.

21. INVENTORIES

	Group	
	2025	2024
	\$'000	\$'000
Balance sheet		
Raw materials	83	36
Work-in-progress	5	411
Finished goods	3,333	3,576
Trading goods	15,980	18,571
At cost or net realisable value	19,401	22,594
Income statement		
Inventories recognised as an expense in cost of sales	18,052	22,101
Inclusive of the following (credit)/charge:		
– Reversal of write down of inventories to net realisable value (Note 8)	–	(14)
– (Reversal)/allowance for slow moving inventories (Note 8)	(43)	232

Inventories are stated net of allowance for slow moving inventories of \$2,347,000 (2024: \$2,397,000).

Notes to the Financial Statements

For the financial year ended 31 December 2025

21. INVENTORIES (CONTINUED)

Movements in the allowance for slow moving inventories are as follows:

	Group	
	2025 \$'000	2024 \$'000
At 1 January	2,397	2,162
(Reversal)/allowance made during the financial year (Note 8)	(43)	232
Exchange differences	(7)	3
At 31 December	2,347	2,397

22. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<u>Trade receivables</u>				
External parties	9,740	12,065	–	–
Less: Loss allowance provision	(789)	(885)	–	–
	8,951	11,180		
Accrued revenue	11,235	11,211	–	–
	20,186	22,391	–	–
<u>Other receivables</u>				
Non-trade receivables	553	750	88	189
Less: Loss allowance provision	(157)	(157)	(88)	(88)
	396	593	–	101
VAT/GST receivables	916	997	–	–
Advances to suppliers for trade purchase	16	620	–	–
Refundable deposits	131	99	–	–
	1,459	2,309	–	–
Total trade and other receivables	21,645	24,700	–	101

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 150 days' terms (2024: 30 to 150 days' terms). They are recognised at their original amounts which represent their fair values on initial recognition.

Accrued revenue

Accrued revenue pertains to revenue receivable for the shortfall between the actual volume of wastewater treated and the guaranteed volume stipulated in the contract with the local government for the operation of wastewater treatment plants. Revenue is recognised in the period in which services are rendered, based on contractual entitlements, although it has not yet been billed as at the reporting period.

Billing for such accrued revenue can only take place upon submission of the required documentation to the local authorities, which is typically after the completion of an audit and approval of the related funding allocation in the following year by the local authorities.

Notes to the Financial Statements

For the financial year ended 31 December 2025

22. TRADE AND OTHER RECEIVABLES (CONTINUED)

Expected credit losses

The movements in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group	
	2025 \$'000	2024 \$'000
At 1 January	885	835
(Write-back)/charge for the financial year (Note 6)	(2)	45
Written off against allowance	(83)	–
Exchange differences	(11)	5
At 31 December	789	885

The movement in allowance for expected credit losses of non-trade receivables computed based on 12-month ECL are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At 1 January	157	302	88	233
Written off against allowance	–	(148)	–	(148)
Exchange differences	–	3	–	3
At 31 December	157	157	88	88

Trade and other receivables denominated in foreign currency at 31 December 2025 and 2024 are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
United States dollars:				
– Trade receivables	267	232	–	–
– Other receivables	–	106	–	–
Chinese renminbi:				
– Trade receivables	5,667	5,019	–	–
– Accrued revenue	11,235	11,211	–	–
– Other receivables	1,271	1,630	–	–

23. AMOUNTS DUE FROM/(TO) SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE

Amounts due from subsidiaries and joint venture

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Amounts due from subsidiaries	–	–	8,741	7,859
Amounts due from joint venture	–	8	–	8
	–	8	8,741	7,867

The amounts due from subsidiaries and joint venture are non-trade, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Notes to the Financial Statements

For the financial year ended 31 December 2025

23. AMOUNTS DUE FROM/(TO) SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE (CONTINUED)

Amounts due from subsidiaries denominated in foreign currency at 31 December 2025 and 2024 are as follows:

	Company	
	2025 \$'000	2024 \$'000
United States dollars	2,390	2,649

Amounts due to subsidiaries and associate

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Amounts due to subsidiaries	–	–	276	276
Amounts due to associate	55	150	–	–
	55	150	276	276

The amounts due to subsidiaries and associate are non-trade, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

24. CASH AND BANK BALANCES

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash at banks and on hand	11,954	9,604	174	195
Fixed deposit	507	409	496	398
Representing cash and cash equivalents in consolidated cash flow statement	12,461	10,013	670	593

Cash and bank balances denominated in foreign currency at 31 December 2025 and 2024 are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
United States dollars	1,940	1,447	561	467
Chinese renminbi	6,816	5,816	–	–

25. TRADE PAYABLES

	Group	
	2025 \$'000	2024 \$'000
Trade payables – third parties	1,239	1,411

Trade payables are non-interest bearing and are generally on 2 to 3 months (2024: 2 to 3 months) credit term.

Notes to the Financial Statements

For the financial year ended 31 December 2025

25. TRADE PAYABLES (CONTINUED)

Trade payables denominated in foreign currency at 31 December 2025 and 2024 are as follows:

	Group	
	2025 \$'000	2024 \$'000
United States dollars	54	317
Chinese renminbi	875	651

26. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Non-current:				
Other payables	29	30	–	–
Current:				
Accrued expenses	1,700	1,908	567	917
Accrued directors' fees	124	113	124	113
Deposits from customers	148	34	–	–
VAT/GST payables	122	47	11	12
Other payables	2,128	3,212	7	71
	4,222	5,314	709	1,113
Total other payables and accruals	4,251	5,344	709	1,113

Included in current other payables is an amount of \$24,000 (2024: \$1,064,000) pertaining to construction costs payable by the Group's PRC subsidiaries to contractors in respect of their wastewater treatment plants which are recognised as concession rights under intangible assets (Note 14). Of this amount, \$15,000 pertains to current year additions, and the remaining \$9,000 are prior year additions.

Other payables and accruals denominated in foreign currency at 31 December 2025 and 2024 are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
United States dollars	502	409	–	–
Chinese renminbi	2,479	3,169	–	–

Notes to the Financial Statements

For the financial year ended 31 December 2025

27. LOANS AND BORROWINGS

		Group		Company	
	Note	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Current:					
<i>Bank loans:</i>					
– Revolving SGD loan facilities	(a)	2,400	2,794	–	–
– Revolving USD loan facility	(b)	128	272	–	–
– Secured RMB term loans	(c)	1,016	957	–	–
– Unsecured RMB term loans	(d)	552	187	–	–
– Secured SGD term loans	(e)	1,806	1,651	–	–
– Unsecured SGD term loan	(f)	–	260	–	260
		5,902	6,121	–	260
<i>Other loans and borrowings:</i>					
Bills payable – for trade purpose		4,335	6,903	–	–
		10,237	13,024	–	260
Non-current:					
<i>Bank loans:</i>					
– Secured RMB term loans	(c)	1,198	2,334	–	–
– Secured SGD term loans	(e)	7,274	7,557	–	–
		8,472	9,891	–	–
Total loans and borrowings		18,709	22,915	–	260

The Group has the following outstanding bank loans:

- (a) Revolving SGD loan facilities of \$2,400,000 (2024: \$2,794,000) was secured by a corporate guarantee from the Company. The loans bear fixed interest rates ranging from 2.58% to 4.73% (2024: 4.02% to 5.41%) per annum.
- (b) Revolving USD loan facility of USD100,000 or \$128,000 equivalent (2024: USD200,000 or \$272,000 equivalent) was secured by a corporate guarantee from the Company. The loans bear fixed interest rates at 5.65% (2024: 6.45% to 6.60%) per annum.
- (c) Secured RMB term loans comprising:
 - Term loan of RMB1,236,000 or \$227,000 equivalent (2024: RMB2,564,000 or \$479,000 equivalent) is secured by a corporate guarantee by the Company, bearing interest at 1.35% above the 5-year loan prime rate. The term loan is repayable in 19 quarterly instalments with the first repayment instalment commencing in April 2023. The average effective interest rate is 5.55% (2024: 5.90%) per annum.
 - Term loan of RMB1,500,000 or \$276,000 equivalent (2024: RMB2,900,000 or \$542,000 equivalent) is secured by a corporate guarantee by a subsidiary of the Company, bearing interest at 155 basis points higher of the 1 year interest rate announced by the bank and is repriced every 3 months. The term loan is repayable in 20 quarterly instalments with the first repayment instalment commencing in December 2024. The effective interest rate is 5.35% (2024: 5.35%) per annum.
 - Term loan of RMB7,364,000 or \$1,353,000 equivalent (2024: RMB10,160,000 or \$1,897,000 equivalent) is credit secured. The term loan is repayable in 5 years and are settled in cash. The interest rate is 5.53% (2024: 5.53%) per annum.

Notes to the Financial Statements

For the financial year ended 31 December 2025

27. LOANS AND BORROWINGS (CONTINUED)

(c) Secured RMB term loans comprising: (Continued)

- Term loan of RMB1,500,000 or \$358,000 equivalent (2024: RMB2,000,000 or \$373,000 equivalent) is secured by a corporate guarantee by the Company, bearing interest at a fixed rate of 1.75% above the 1 year interest rate announced by the bank. The term loan is repayable in 2 years. The effective interest rate is 5.20% per annum.

(d) Unsecured RMB term loans comprising:

- Unsecured term loan of RMB1,000,000 or \$184,000 equivalent (2024: RMB1,000,000 or \$187,000 equivalent) is unsecured, bearing interest at 5.40% (2024: 5.40%) per annum and is repayable in December 2025 (2024: December 2024) subject to rollover.
- Unsecured term loan of RMB2,000,000 or \$368,000 equivalent is unsecured, bearing interest at 4.80% per annum and is repayable in July 2026.

(e) Secured SGD term loans comprising:

- Secured SGD term loans of \$5,557,000 (2024: \$6,367,000) undertaken by a subsidiary to finance the expansion of its 2-storey industrial warehouse cum office at 52 Tuas Avenue 9, Singapore 639193. The loans bear floating interest at 1.50% (2024: 1.50%) per annum above bank swap rate and is repayable in equal monthly instalments over 20 years from the date of drawdown. The effective interest rates range from 2.97% to 4.75% (2024: 4.73% to 5.58%) per annum. The loans are secured by legal mortgage of the properties disclosed in Note 11 and a corporate guarantee by the Company.
- Secured SGD term loan of \$472,000 is secured by a corporate guarantee by the Company, bears interest at 2.25% (2024: 2.25%) per annum. The term loan is repayable in 60 monthly instalments from the date of draw down. The loan was fully repaid during the year.
- Secured SGD term loans of \$369,000 are secured by a corporate guarantee by the Company, bear interest rate ranging from 2.25% to 3.00% (2024: 2.25% to 3.00%) per annum. The loans are repayable in equal monthly instalments over 5 years from the date of draw down. The loan was fully repaid during the year.
- Secured SGD term loans of \$1,523,000 (2024: \$2,000,000) are secured by a corporate guarantee by the Company and bear interest at rates ranging from 2.47% to 4.13% per annum. The loans are repayable in equal monthly instalments over 4 years from the date of draw down.
- Secured SGD term loans of \$2,000,000 are secured by a corporate guarantee by the Company and bear interest at 1.25% per annum above the bank's cost of funds. The loans are repayable in 48 monthly instalments from the date of draw down.

(f) Unsecured SGD term loan of \$260,000, which bears fixed interest rate at 2.25% (2024: 2.25%) per annum. The loan was fully repaid during the year.

Bills payable

Bills payable are repayable between 3 to 6 months from the date the bills are first issued.

During the financial year ended 31 December 2025, bills payable carry interests at rates ranging from 2.80% to 6.75% (2024: 3.95% to 6.35%) per annum.

The Company provides corporate guarantees to banks in respect of the bills payable amounting to \$4,335,000 (2024: \$6,903,000) owing to the banks by certain subsidiaries.

Notes to the Financial Statements

For the financial year ended 31 December 2025

27. LOANS AND BORROWINGS (CONTINUED)

Bills payable (Continued)

Bills payable denominated in foreign currencies as at 31 December 2025 and 2024 are as follows:

	Group	
	2025 \$'000	2024 \$'000
United States dollars	671	3,043

Undrawn committed borrowing facilities

As at 31 December 2025, the Group has available undrawn committed borrowing facilities of \$38,670,000 (2024: \$49,001,000).

Effective interest rates

	Effective interest rate	
	2025 %	2024 %
<i>Bank loans:</i>		
– Revolving SGD loan facilities	2.58% – 4.73%	4.02% – 5.41%
– Revolving USD loan facility	5.65%	6.45% – 6.60%
– Secured RMB term loans	5.20% – 5.55%	5.20% – 5.90%
– Unsecured RMB term loans	4.80% – 5.40%	5.40%
– Secured SGD term loans	2.25% – 4.75%	2.25% – 5.58%
– Unsecured SGD term loan	–	2.25%
<i>Other loans and borrowings:</i>		
Bills payable – for trade purpose	2.80% – 6.75%	3.95% – 6.35%

A reconciliation of liabilities arising from the Group's financing activities is as follows:

	Non-cash changes				
	2024 \$'000	Cash flows \$'000	Foreign exchange movement \$'000	Written back \$'000	Others \$'000
Bank loans					2025 \$'000
– current	6,121	(1,301)	(50)	–	1,132
– non-current	9,891	(266)	(21)	–	(1,132)
Amounts due to associate (Note 23)	150	(95)	–	–	–
					55

	Non-cash changes				
	2023 \$'000	Cash flows \$'000	Foreign exchange movement \$'000	Written back \$'000	Others \$'000
Bank loans					2024 \$'000
– current	4,693	(211)	(23)	–	1,662
– non-current	11,766	(210)	(3)	–	(1,662)
Government loan ⁽¹⁾	156	–	(12)	(144)	–
Amounts due to associate (Note 23)	374	(224)	–	–	–
					150

Notes to the Financial Statements

For the financial year ended 31 December 2025

27. LOANS AND BORROWINGS (CONTINUED)

The 'others' column relates to reclassification of non-current portion of loans and borrowings due to passage of time.

(1) Government loan

In FY2023, a government loan of KRW153,100,000 or \$156,000 was granted to a subsidiary of the Group to finance working capital. The loan is unsecured, non-interest bearing and repayable on demand. This loan of \$144,000 (excluding exchange difference of \$12,000) has been long outstanding and was written back as other income (Note 5) in the previous financial year, as no payment has been requested over the past 3 financial years.

28. DEFERRED GOVERNMENT GRANTS

These are grants received from the PRC government for the improvements and upgrading of the wastewater treatment plants built and operated by the Group. These grants will be recognised in the income statement on a systematic basis over respective concession periods of 27 to 50 years.

	Group	
	2025 \$'000	2024 \$'000
At 1 January	1,388	1,459
Amortisation of government grants (Note 5)	(69)	(70)
Exchange differences	(23)	(1)
At 31 December	1,296	1,388

29. DEFERRED TAX

Deferred tax as at 31 December 2025 and 2024 relates to the following:

	Group			
	Balance sheet		Net change in income statement	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Deferred tax liabilities:				
Undistributed earnings of associates	(229)	(229)	—	—
Accelerated tax depreciation	(245)	(196)	49	52
Fair value adjustments on acquisition of subsidiary	(589)	(633)	—	—
Exchange differences	8	(1)	(4)	5
	(1,055)	(1,059)		
Deferred tax assets:				
Provisions and accelerated tax depreciation	148	204	56	(82)
Deferred tax expense/(credit) (Note 9)			101	(25)

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (2024: \$Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries as the Group has control over the timing of distribution and management has determined that such undistributed earnings would not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregate to \$23,088,000 (2024: \$22,559,000). The deferred tax liability not recognised is estimated to be approximately \$1,154,000 (2024: \$1,128,000).

Notes to the Financial Statements

For the financial year ended 31 December 2025

30. SHARE CAPITAL AND TREASURY SHARES

(a) *Share capital*

	Group and Company			
	2025		2024	
	No. of ordinary shares '000	\$'000	No. of ordinary shares '000	\$'000
Issued and paid-up:				
At 1 January and 31 December	294,054	38,864	294,054	38,864

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

(b) *Treasury shares*

	Group and Company			
	2025		2024	
	No. of ordinary shares '000	\$'000	No. of ordinary shares '000	\$'000
At 1 January and 31 December	(5,534)	(568)	(5,534)	(568)

Treasury shares relate to ordinary shares of the Company that is held by the Company.

31. FOREIGN CURRENCY TRANSLATION RESERVE

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

	Group	
	2025 \$'000	2024 \$'000
At 1 January	(2,503)	(2,733)
Net effect of exchange differences arising from translation of financial statements of foreign operations	(1,055)	223
Transfer to retained earnings upon capital reduction by a subsidiary	–	(15)
Disposal of a disposal group classified as held for sale	–	22
At 31 December	(3,558)	(2,503)

32. STATUTORY RESERVE FUND

Under the present laws and regulations in PRC, every company incorporated in PRC is required to make appropriations calculated at 10% of its profit after income tax from the retained earnings to the reserve fund every year until the accumulated balance in the reserve fund reaches 50% of the registered capital of that company. Further, every company in PRC is also required to make appropriations at the rates determined by its board of directors from its retained earnings to the enterprise expansion fund every year.

The statutory reserve fund may be used to cover losses incurred by the PRC companies and to increase its capital for the expansion of its production capacity. The enterprise expansion fund may be used to increase the capital of the company subject to approval from the relevant government authorities.

Notes to the Financial Statements

For the financial year ended 31 December 2025

33. FAIR VALUE RESERVE

Fair value reserve represents the cumulative fair value changes, net of tax, of equity securities at fair value through other comprehensive income until they are disposed of or impaired.

34. DIVIDENDS

	Group and Company	
	2025	2024
	\$'000	\$'000
Declared and paid during the financial year:		
<i>Dividends on ordinary shares:</i>		
– Final exempt (one-tier) dividend for 2024: Nil (2023: 0.3) cent per share	–	866
Proposed but not recognised as liability as at 31 December:		
<i>Dividends on ordinary shares, subject to shareholders' approval at AGM</i>		
– Final exempt (one-tier) dividend for 2025: 0.3 (2024: Nil) cent per share	866	–

35. RELATED PARTY TRANSACTIONS

(a) Sales and purchases of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2025	2024
	\$'000	\$'000
Sale of goods to a corporate shareholder of a subsidiary	1	–
Purchase of goods from a corporate shareholder of a subsidiary	167	369

(b) Compensation of directors and key management personnel

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

	Group	
	2025	2024
	\$'000	\$'000
Salaries, bonuses and benefits	2,558	2,879
Central Provident Fund contributions	94	95
Directors' fees	124	113
	2,776	3,087
Comprise amounts paid to:		
– Directors of the Company	1,828	2,050
– Other key management personnel	948	1,037
	2,776	3,087

The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

Notes to the Financial Statements

For the financial year ended 31 December 2025

36. CORPORATE GUARANTEES – COMPANY LEVEL

The Company has issued corporate guarantees to several financial institutions for borrowings granted to certain subsidiaries for \$55,980,000 (2024: \$68,778,000), of which \$17,880,000 (2024: \$21,927,000) were utilised at the end of the reporting period.

Based on information currently available, the Company does not expect any liabilities to arise from the guarantees.

37. CONTINGENCIES

On 13 December 2023, the Company entered into a sale and purchase agreement (SPA) with a minority shareholder of its subsidiary, Pioneer Environmental Technology Pte. Ltd. (Pioneer), a 51% owned subsidiary of the Company (Purchaser) to dispose of all the Company's shares in Pioneer. Pursuant to the SPA, the Company will continue to provide securities and guarantees to Pioneer for its ongoing projects and bank facilities until the completion of these projects undertaken by Pioneer or when Pioneer has fully settled the bank facilities and discharged their obligations to the bank.

Based on the SPA, the outstanding obligations to be fulfilled under the project contract amounted to approximately \$4,450,000, of which the bank has provided banker's guarantees of approximately \$1,790,000. The securities and guarantees provided by the Company will only be discharged upon the completion of the respective project contracts and repayment of the bank facilities.

Based on information currently available, the Company does not expect any liabilities to arise from the abovementioned guarantees as the Company's exposure is mitigated by the securities pledged by the Purchaser. These securities include a personal guarantee by the Purchaser, mortgage over two properties in Singapore and charges over the shares in certain PRC subsidiaries held by the Purchaser. Accordingly, no provision has been recognised for the financial years ended 31 December 2024 and 2023.

On 13 June 2025, all the outstanding obligations to be fulfilled under the project contract and the securities pledged by the Purchaser had been fully discharged, and that all formalities relating to the disposal of the Pioneer have been completed. Accordingly, the Company's obligations as guarantor under the abovementioned guarantees have been fully discharged.

38. SEGMENT INFORMATION

The following segment information is prepared based on the nature of the principal activities of the Company and its subsidiaries. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. They are segregated primarily into three reporting segments; i.e. distribution of steel products; manufacturing of steel flanges and environmental business (including engineering construction of piping process system). Except as indicated above, no operating segments have been aggregated to form the above reportable segments.

Group financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments. Transfer pricing between operating segments are on an arms' length basis in the manner similar to transactions with third parties.

Segment revenue and results are the operating revenue and results as reported in the Group's income statement that are directly attributable to a segment and can be allocated on a reasonable basis to that segment.

Segment assets include all operating assets used by a segment and consist principally of trade receivables, inventories and property, plant and equipment. Capital expenditure includes the total cost incurred to acquire property, plant and equipment and intangible asset which are directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of trade payables and accruals.

Income from associate is allocated to each segment on the basis they are specifically attributable to that segment, and correspondingly the investment in associates is included as segment assets of the Group.

For the financial year ended 31 December 2025

(a) ***Business segments***

[illegible]

Notes to the Financial Statements

For the financial year ended 31 December 2025

38. SEGMENT INFORMATION (CONTINUED)

(a) Business segments (Continued)

	Distribution		Manufacturing of steel flanges		Environmental business		Consolidation	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Assets								
Segment assets	35,659	41,587	7,536	6,743	59,057	60,356	102,252	108,686
Investment in associate	–	–	–	–	9,009	9,603	9,009	9,603
Investment in joint venture	–	–	–	–	51	–	51	–
Consolidated total assets							111,312	118,289
Liabilities								
Segment liabilities	8,453	10,946	1,547	1,834	6,969	7,887	16,969	20,667
Bank loans and government loan	11,480	12,263	129	272	2,765	3,477	14,374	16,012
Consolidated total liabilities							31,343	36,679
Other information								
Depreciation and amortisation	1,114	1,229	308	267	1,517	1,902	2,939	3,398
Capital expenditure	62	628	823	421	392	1,073	1,277	2,122
Other non-cash items	18	(2)	(364)	106	(259)	63	(605)	167

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

A Inter-segment revenue are eliminated on consolidation.

B The following items are deducted from segment results to arrive at "profit before tax" presented in the consolidated income statement:

	2025 \$'000	2024 \$'000
Loss from inter-segment revenue	(46)	(204)
Unallocated corporate expenses	(633)	(382)
	(679)	(586)

C Inter-segment dividend income are eliminated on consolidation.

D Impairment in subsidiaries are eliminated on consolidation.

Notes to the Financial Statements

For the financial year ended 31 December 2025

38. SEGMENT INFORMATION (CONTINUED)

(b) *Geographical information*

The Group's operations are located in Singapore, Malaysia and PRC. The Group's engineering construction and the distribution of steel products are in Singapore, and PRC while the Group's manufacturing of steel flanges is in Malaysia and environmental business divisions are based in PRC.

The following table provides an analysis of the Group's revenue by geographical markets, irrespective of the origin of the goods or services:

	Group	
	2025 \$'000	2024 \$'000
By geographical markets:		
Singapore	16,665	20,843
Malaysia	3,795	7,961
PRC	13,294	14,976
Others ⁽¹⁾	2,265	3,864
	36,019	47,644

(1) Others mainly comprise Indonesia, Australia, New Zealand and Thailand, which individually do not contribute more than 10% of the Group's revenue.

The following is an analysis of the non-current assets by geographical area in which the assets are located:

	Non-current assets	
	2025 \$'000	2024 \$'000
Singapore	12,330	13,331
Malaysia	2,413	1,433
South Korea	2	3
PRC	42,869	46,064
	57,614	60,831

Non-current assets information presented above consists of property, plant and equipment, right-of-use assets, goodwill, intangible assets, investment in associate, investment in joint venture, investment securities, club membership, refundable deposits and deferred tax assets as presented in the consolidated balance sheet.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Executive Officer and Executive Director. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks. There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

Notes to the Financial Statements

For the financial year ended 31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligation

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

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

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

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) *Credit risk (Continued)*

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The loss allowance provision as at 31 December 2025 and 2024 is determined as shown in the table below. The expected credit losses below also incorporate forward looking information such as GDP growth rate in which the Group's debtors operate in.

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix, grouped by geographical region:

Singapore:

2025	Current \$'000	Less than 30 days \$'000	30 to 60 days \$'000	61 to 90 days \$'000	More than 90 days \$'000	Total \$'000
Gross carrying amount	1,814	570	311	179	761	3,635
Loss allowance provision	–	–	–	–	705	705

2024	Current \$'000	Less than 30 days \$'000	30 to 60 days \$'000	61 to 90 days \$'000	More than 90 days \$'000	Total \$'000
Gross carrying amount	3,443	651	369	108	1,950	6,521
Loss allowance provision	–	–	–	–	712	712

Other geographical areas:

2025	Current \$'000	Less than 30 days \$'000	30 to 60 days \$'000	61 to 90 days \$'000	More than 90 days \$'000	Total \$'000
Gross carrying amount	1,784	591	692	359	2,679	6,105
Loss allowance provision	36	15	13	6	14	84

2024	Current \$'000	Less than 30 days \$'000	30 to 60 days \$'000	61 to 90 days \$'000	More than 90 days \$'000	Total \$'000
Gross carrying amount	1,968	570	328	8	2,670	5,544
Loss allowance provision	18	13	9	7	126	173

Information regarding loss allowance movement of trade receivables are disclosed in Note 22.

Concentration risk

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk is limited due to the customer base being large and unrelated. The credit risk on liquid funds is limited because the Group places its cash with reputable financial institutions.

Notes to the Financial Statements

For the financial year ended 31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) *Credit risk (Continued)*

Trade receivables (Continued)

Exposure to credit risk

The extent of the Group's credit exposure is represented by the aggregate carrying amount of cash and bank balances and trade and other receivables.

The maximum amount that the Company could be forced to settle under corporate guarantee contracts to the banks in respect of facilities extended to its subsidiaries is \$17,880,000 (2024: \$21,927,000) [Note 36].

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables (net) at the balance sheet date is as follows:

	2025		2024	
	\$'000	% of total	\$'000	% of total
<i>By country:</i>				
Singapore	2,929	33%	5,809	52%
Malaysia	355	4%	352	3%
People's Republic of China	5,667	63%	5,019	45%
	8,951	100%	11,180	100%

At the end of the reporting period, approximately 10% (2024: 17%) of the Group's trade receivables were due from three (2024: two) major customers.

Other receivables, amount due from subsidiaries and joint venture

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the loss allowance provision using 12-month ECL. Information regarding loss allowance movement of other receivables is disclosed in Note 22.

Notes to the Financial Statements

For the financial year ended 31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group aims to maintain committed bank facilities prudently in excess of its estimated gross borrowing requirements.

Analysis of financial instruments by remaining contractual maturities

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

	2025			
	1 year or less \$'000	1 to 5 years \$'000	After 5 years \$'000	Total \$'000
Group				
Financial assets:				
Trade and other receivables ⁽¹⁾	9,478	–	–	9,478
Refundable deposits	–	–	427	427
Cash and bank balances	12,461	–	–	12,461
Total undiscounted financial assets	21,939	–	427	22,366
Financial liabilities:				
Trade and other payables and accruals ⁽²⁾	5,191	29	–	5,220
Lease liabilities	223	838	2,473	3,534
Amounts due to associate	55	–	–	55
Loans and borrowings	10,657	7,503	1,551	19,711
Total undiscounted financial liabilities	16,126	8,370	4,024	28,520
Total net undiscounted financial assets/(liabilities)	5,813	(8,370)	(3,597)	(6,154)

(1) Exclude VAT/GST receivables, advances to suppliers and accrued revenue.

(2) Exclude VAT/GST payables and deposits from customers.

Notes to the Financial Statements

For the financial year ended 31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) *Liquidity risk (Continued)*

Analysis of financial instruments by remaining contractual maturities (Continued)

	2024			Total \$'000
	1 year or less \$'000	1 to 5 years \$'000	After 5 years \$'000	
Group				
Financial assets:				
Trade and other receivables ⁽¹⁾	11,872	–	–	11,872
Amounts due from joint venture	8	–	–	8
Refundable deposits	–	–	434	434
Cash and bank balances	10,013	–	–	10,013
Total undiscounted financial assets	21,893	–	434	22,327
Financial liabilities:				
Trade and other payables and accruals ⁽²⁾	6,644	30	–	6,674
Lease liabilities	343	838	2,875	4,056
Amounts due to associate	150	–	–	150
Loans and borrowings	14,057	8,027	2,470	24,554
Total undiscounted financial liabilities	21,194	8,895	5,345	35,434
Total net undiscounted financial assets/(liabilities)	699	(8,895)	(4,911)	(13,107)

(1) Exclude VAT/GST receivables, advances to suppliers and accrued revenue.

(2) Exclude VAT/GST payables and deposits from customers.

	2025		Total \$'000
	1 year or less \$'000	More than 1 year \$'000	
Company			
Financial assets:			
Amounts due from subsidiaries and joint venture	8,741	–	8,741
Cash and bank balances	670	–	670
Total undiscounted financial assets	9,411	–	9,411
Financial liabilities:			
Other payables and accruals ⁽¹⁾	698	–	698
Amounts due to subsidiaries	276	–	276
Total undiscounted financial liabilities	974	–	974
Total net undiscounted financial assets	8,437	–	8,437

(1) Exclude VAT/GST payables.

Notes to the Financial Statements

For the financial year ended 31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) *Liquidity risk (Continued)*

	1 year or less \$'000	2024 More than 1 year \$'000	Total \$'000
Company			
Financial assets:			
Trade and other receivables	101	–	101
Amounts due from subsidiaries and joint venture	7,867	–	7,867
Cash and bank balances	593	–	593
Total undiscounted financial assets	8,561	–	8,561
Financial liabilities:			
Other payables and accruals ⁽¹⁾	1,101	–	1,101
Amounts due to subsidiaries	276	–	276
Loans and borrowings	266	–	266
Total undiscounted financial liabilities	1,643	–	1,643
Total net undiscounted financial assets	6,918	–	6,918

(1) Exclude VAT/GST payables.

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	2025				2024			
	1 year or less \$'000	1 to 5 years \$'000	After 5 years \$'000	Total \$'000	1 year or less \$'000	1 to 5 years \$'000	After 5 years \$'000	Total \$'000
Company								
Financial guarantees (Note 36)	9,408	6,920	1,552	17,880	12,390	7,067	2,470	21,927

(c) *Foreign currency risk*

The Group transacts business in various foreign currencies and therefore is exposed to foreign exchange risk. The Group's foreign currency exposures arise mainly from the exchange rate movements of the United States dollars and Chinese renminbi against the Singapore dollars. To the extent possible, sales and purchases which are denominated in United States dollars provide natural hedges. The remaining foreign currency exposure is considered limited.

It is the Group's policy not to enter into forward contracts until a firm commitment is in place. It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise the economic hedge.

Notes to the Financial Statements

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) *Foreign currency risk (Continued)*

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD and RMB (against SGD), with all other variables held constant, of the Group's profit net of tax.

	2025 (Decrease)/ increase in profit net of tax \$'000	2024 (Decrease)/ increase in profit net of tax \$'000
Group		
USD/SGD – strengthened 6% (2024: 3%)	42	(56)
– weakened 6% (2024: 3%)	(42)	56
RMB/SGD – strengthened 2% (2024: 1%)	313	136
– weakened 2% (2024: 1%)	(313)	(136)

(d) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their loans and borrowings. All of the Group's financial liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2024: less than 6 months) from the end of the reporting period. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 200 (2024: 200) basis points higher/lower with all other variables held constant, the Group's profit before tax would have been \$287,000 (2024: \$320,000) lower/higher, arising mainly as a result of higher/lower interest expense on bank loans (Note 27). The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility as compared to prior financial years.

40. FAIR VALUES OF ASSETS AND LIABILITIES

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation input used as follows:

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

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

Notes to the Financial Statements

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40. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

(b) *Assets measured at fair value*

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

	Significant unobservable inputs (Level 3) \$'000	Total \$'000
2025		
Group		
Financial assets at FVOCI (Note 18)		
– Equity securities (unquoted)	–	–
2024		
Group		
Financial assets at FVOCI (Note 18)		
– Equity securities (unquoted)	–	–

The equity security was acquired in financial year 2021 for a consideration of \$67,000. The directors are of the view that the fair value of this investment is Nil given that there is no information available for the directors to determine its fair value as at 31 December 2025 and 2024.

(c) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

Trade and other receivables, amounts due from subsidiaries and joint venture, cash and bank balances, trade payables, other payables and accruals, amounts due to subsidiaries and associate, loans and borrowings and lease liabilities

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature or that they are subject to interest rates close to market rates of interests for similar arrangements with financial institutions.

Notes to the Financial Statements

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41. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of the categories of financial instruments as at the end of the reporting period are as follows:

Group	Note	Assets at amortised cost \$'000	Liabilities at amortised cost \$'000	Total \$'000
2025				
Assets:				
Refundable deposits	20	427	–	427
Trade and other receivables ⁽¹⁾	22	9,478	–	9,478
Cash and bank balances	24	12,461	–	12,461
Total		22,366	–	22,366
Liabilities:				
Trade payables	25	–	1,239	1,239
Other payables and accruals ⁽²⁾	26	–	3,981	3,981
Amounts due to associate	23	–	55	55
Loans and borrowings	27	–	18,709	18,709
Lease liabilities	12(b)	–	3,108	3,108
Total		–	27,092	27,092
2024				
Assets:				
Refundable deposits	20	434	–	434
Trade and other receivables ⁽¹⁾	22	11,872	–	11,872
Amounts due from joint venture	23	8	–	8
Cash and bank balances	24	10,013	–	10,013
Total		22,327	–	22,327
Liabilities:				
Trade payables	25	–	1,411	1,411
Other payables and accruals ⁽²⁾	26	–	5,263	5,263
Amounts due to associate	23	–	150	150
Loans and borrowings	27	–	22,915	22,915
Lease liabilities	12(b)	–	2,805	2,805
Total		–	32,544	32,544

(1) Exclude VAT/GST receivables, advances to suppliers and accrued revenue.

(2) Exclude VAT/GST payables and deposits from customers.

Notes to the Financial Statements

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41. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Company	Note	Assets at amortised cost \$'000	Liabilities at amortised cost \$'000	Total \$'000
2025				
Assets:				
Amounts due from subsidiaries and joint venture	23	8,741	–	8,741
Cash and bank balances	24	670	–	670
Total		9,411	–	9,411
Liabilities:				
Amounts due to subsidiaries	23	–	276	276
Other payables and accruals ⁽¹⁾	26	–	698	698
Total		–	974	974
2024				
Assets:				
Trade and other receivables	22	101	–	101
Amounts due from subsidiaries and joint venture	23	7,867	–	7,867
Cash and bank balances	24	593	–	593
Total		8,561	–	8,561
Liabilities:				
Amounts due to subsidiaries	23	–	276	276
Other payables and accruals ⁽¹⁾	26	–	1,101	1,101
Loans and borrowings	27	–	260	260
Total		–	1,637	1,637

(1) Exclude VAT/GST payables.

42. SERVICE CONCESSION ARRANGEMENTS

The Group has entered into several service concession arrangements within certain governing bodies and agencies of the PRC government to construct and operate wastewater treatment plants.

Group	Construction revenue \$'000	Operating income of wastewater treatment plants \$'000	Total service concession revenue \$'000
For financial year ended 31 December 2025	392	12,902	13,294
For financial year ended 31 December 2024	1,406	13,564	14,970

The revenue recognised in relation to construction represents the fair value of the construction services provided in constructing the wastewater treatment plants.

Notes to the Financial Statements

For the financial year ended 31 December 2025

42. SERVICE CONCESSION ARRANGEMENTS (CONTINUED)

The details of service concession arrangements are as follows:

Name of subsidiary	Plant type	Type and period of concession
ChangXing AW	Wastewater treatment plant	Build-Operate-Transfer (BOT), 30 years
LJX	Wastewater treatment plant	BOT, 30 years
CX Annyi	Wastewater treatment plant	BOT, 30 years
CX Hengyi	Wastewater treatment plant	BOT, 30 years
Shuanglin	Wastewater treatment plant	BOT, 27 years
CX Linyi	Wastewater treatment plant	Build-Operate-Own (BOO) , 50 years
CX LinSheng	Wastewater treatment plant	BOO, 50 years
CX WuSheng	Wastewater treatment plant	BOO, 50 years

The subsidiaries are required to hand back these respective plants and other related facilities under the BOT arrangements to the respective local municipal government body/agency at the end of the respective concession periods without any consideration.

Subject to the approval of the local municipal government, the various concession arrangements allow for tariff adjustment based on the increases in key operating costs, overall adjustment of water tariff rates in the region where the plants operate, and the government policies regarding the management of water resources.

43. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern, while maximising the return to stockholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt which includes borrowings as disclosed in Note 27 and equity attributable to equity holders of the Company, comprising issued capital and reserves as disclosed in Notes 30 to 33.

Management reviews the capital structure of the Company on a yearly basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The management also ensures that the Group maintains the capital requirements and complies with the financial covenants within the range imposed by various banks for the borrowings extended to the Group.

The Group's overall strategy for financial year 2025 has remained unchanged from financial year 2024.

As discussed in Note 32, subsidiaries of the Group that are incorporated in the PRC are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities.

The Group monitors capital based on gearing ratio which is total liabilities divided by total equity. At 31 December 2025, the Group's total liabilities and total equity are \$31,343,000 (2024: \$36,679,000) and \$79,969,000 (2024: \$81,610,000) respectively. The Group seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. At 31 December 2025, the Group's gearing ratio was 0.39 (2024: 0.45).

44. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on 31 March 2026.

Statistics of Shareholdings

As at 18 March 2026

Number of Issued Shares	:	288,520,274*
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share

* Excluding non-voting 5,533,700 treasury shares

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	15	1.44	578	0.00
100 – 1,000	40	3.84	25,400	0.01
1,001 – 10,000	293	28.12	1,953,800	0.68
10,001 – 1,000,000	666	63.91	58,617,003	20.31
1,000,001 AND ABOVE	28	2.69	227,923,493	79.00
TOTAL	1,042	100.00	288,520,274	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	DIRECT INTEREST	%	INDIRECT INTEREST	%
Ow Chin Seng ⁽¹⁾⁽²⁾	97,574,197	33.82	30,116,455	10.44
Low Kheng ⁽¹⁾	30,116,455	10.44	97,574,197	33.82

(1) Ow Chin Seng and Low Kheng are husband and wife

(2) Ow Chin Seng is deemed to be interested in 87,500,000 ordinary shares of the Company, registered in the name of a nominee account of Citibank Nominees Singapore Pte Ltd

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	93,174,650	32.29
2	LOW KHENG	30,116,455	10.44
3	MAYBANK SECURITIES PTE. LTD.	14,688,350	5.09
4	NG KIM KEANG	14,361,000	4.98
5	OW CHIN SENG	10,074,197	3.49
6	DBS NOMINEES (PRIVATE) LIMITED	8,546,300	2.96
7	LIAN LAY KHENG	6,516,900	2.26
8	LOW SIM YAM	5,965,950	2.07
9	PHILLIP SECURITIES PTE LTD	5,389,050	1.87
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,213,400	1.46
11	LIAN BEE METAL PTE LTD	4,122,375	1.43
12	CHEW KIT LENG	3,330,646	1.15
13	EE KIM CHUAN @ YEE KIM CHUAN	2,786,500	0.97
14	EVE PHUA SIN YEE (PAN XINYI)	2,664,000	0.92
15	OW JIA YIN CLARA	2,400,000	0.83
16	KWEK GEOK YONG	2,317,000	0.80
17	KWA CHING TZE	2,000,000	0.69
18	NG THENG LOCK	1,962,309	0.68
19	OW EEI PHURN BENEDICT	1,680,000	0.58
20	YAP KOK VEE	1,635,000	0.57
TOTAL		217,944,082	75.53

Statistics of Shareholdings

As at 18 March 2026

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Approximately 48.03% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the SGX-ST.

TREASURY SHARES

Total number of ordinary shares held in Treasury	:	5,533,700
Voting rights	:	None
Percentage of this shareholding against total number of issued shares excluding Treasury Shares	:	1.92%

Company has nil subsidiary holdings as at 31 December 2025 (31 December 2024: nil).

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of AnnAik Limited (the “**Company**”) will be held at 52 Tuas Avenue 9, Singapore 639193 on Thursday, 30 April 2026 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company and the Group for the year ended 31 December 2025 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare first and final dividend (tax exempt one-tier) of 0.30 Singapore cent per ordinary share for the financial year ended 31 December 2025. **(Resolution 2)**
3. To re-elect the following Directors of the Company who are retiring pursuant to Regulation 121 of the Constitution of the Company:
 - (i) Mr Ng Kim Keang **(Resolution 3)**
 - (ii) Mr Gan Thiam Poh **(Resolution 4)**

[See Explanatory Note (i)]
4. To approve the payment of Directors’ fees of S\$123,700 for the financial year ended 31 December 2025. (FY2024: S\$112,700) **(Resolution 5)**
5. To re-appoint Messrs UHY Lee Seng Chan & Co as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**
6. To transact any other ordinary business which may properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

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

7. General mandate to issue new shares

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

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

(the “**Share Issue Mandate**”)

Notice of Annual General Meeting

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) and Instruments to be issued pursuant to this Resolution shall not exceed 100% 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 and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 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);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the total number of issued shares and Instruments shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) 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 the Instruments or any convertible securities;
 - (b) new shares arising from exercising of share options or vesting of share awards, provided the share options or awards were granted in compliance with the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with sub-paragraphs (2)(a) or (2)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of this Resolution;

- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and all applicable legal requirements under the Companies Act and the Constitution of the Company for the time being of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) 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 or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments. **(Resolution 7)**

[See Explanatory Note (ii)]

8. Authority to allot and issue new ordinary shares pursuant to AnnAik Limited Scrip Dividend Scheme

That pursuant to Section 161 of the Companies Act, the Catalist Rules and the Constitution of the Company, the Directors of the Company be authorised and empowered to:

- (a) allot and issue such number of new ordinary shares in the capital of the Company as may be required to be allotted and issued pursuant to AnnAik Limited Scrip Dividend Scheme; and/or
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) allot and issue such number of new ordinary shares in the capital of the Company pursuant to AnnAik Limited Scrip Dividend Scheme to any dividend which was approved while the authority conferred by this Resolution was in force;

Notice of Annual General Meeting

provided that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(Resolution 8)

[See Explanatory Note (iii)]

9. Renewal of Share Buy-Back Mandate

That approval be and is hereby given:

- (a) for the purposes of Sections 76C and 76E of the Companies Act and the Catalist Rules, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) on-market purchases ("**Market Purchases**") transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for such purpose; and/or
 - (ii) off-market purchases ("**Off-Market Purchases**") effected pursuant to any equal access scheme(s) as may be determined or formulated by the Directors in their discretion, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise, be in accordance with all other laws, the Catalist Rules and other regulations and rules of the SGX-ST,

(the "**Share Buy-Back Mandate**")

- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held; or
 - (ii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Company in a general meeting, or
 - (iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; and
- (c) the Directors of the Company and/or any of them be and is hereby authorised to do such acts and things (including, without limitation, enter into all transactions, arrangements and agreements and executing such documents) as they and/or he/she may consider necessary or expedient to give effect to this Resolution.

In this Resolution:

"**Maximum Limit**" means that number of Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution, unless the Company has, at any time during the Relevant Period (as defined below), effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the capital reduction (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time).

Notice of Annual General Meeting

"Maximum Price" in relation to a Share to be purchased or acquired, means the price paid per Share which does not exceed 105% of the average of the closing market prices of the Shares over the last 5 Market Days, on which transactions in the Shares were recorded, before the day on which the purchases are made and deemed to be adjusted for any corporate action which occurs during the relevant 5 Market Days period and the day on which the purchases are made.

The Maximum Price shall apply to both Market Purchases and Off-Market Purchases and shall exclude brokerage fees, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses; and

"Relevant Period" means the period commencing from the date on which the Annual General Meeting of the Company at which this Resolution is passed and expiring on the date the next Annual General Meeting of the Company is held or is required by law to be held, whichever is earlier, after the date of the passing of this Resolution. **(Resolution 9)**

[See Explanatory Note (iv)]

By Order of the Board

Tan Zhi Wei
Chai Li-Lin, Charlene
Company Secretaries

Singapore
14 April 2026

Explanatory Notes:

- (i) Mr Ng Kim Keang will, upon re-election as Director of the Company, remain as Executive Director and Chief Operating Officer and will be considered non-independent. Please refer to Table A of the Corporate Governance Report of the Annual Report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST.

Mr Gan Thiam Poh will, upon re-election as Director of the Company, remain as Independent Director, Chairman of the Nominating Committee and a member of the Remuneration Committee and Audit Committee and will be considered independent pursuant to Rule 704(7) of the Catalist Rules of the SGX-ST. Please refer to Table A of the Corporate Governance Report of the Annual Report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST.

- (ii) The Ordinary Resolution 7 in item 7 above, 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, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to shareholders.
- (iii) The Ordinary Resolution 8 in item 8 above, 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 allot and issue new ordinary shares in the Company pursuant to AnnAik Limited Scrip Dividend Scheme (as approved by shareholders in Extraordinary General Meeting dated 30 April 2018) to shareholders who, in respect of a qualifying dividend, elect to receive scrip in lieu of part or all of the cash amount of that qualifying dividend.
- (iv) The Ordinary Resolution 9 in item 9 above, 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 the date which such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to repurchase Shares by way of Market Purchases and/or Off-Market Purchases of up to 10% of the total number of Shares (excluding treasury shares and subsidiary holdings) at the Maximum Price. Information relating to this proposed Resolution is set out in the Appendix dated 14 April 2026 (in relation to the Renewal of Share Buy-Back Mandate).

Notice of Annual General Meeting

Notes:

1. The members of the Company are invited to attend physically at the Annual General Meeting ("AGM" or the "Meeting"). There will be no option for shareholders to participate virtually. The Notice of AGM, Proxy Form, Request Form, Annual Report and Appendix in relation to the proposed renewal of the Share Buy-Back Mandate (the "Appendix") will be sent to members by electronic means via publication on the Company's website at the URL www.annaik.com and on the SGXNet at the URL <http://www.sgx.com/securities/company-announcements>. A member will need an internet browser and PDF reader to view these documents. Printed copies of the Notice of AGM, Proxy Form and Request Form (to request for printed copy of the Annual Report and Appendix only) will be despatched to shareholders. Shareholders may request physical copies of the Annual Report and Appendix by filling out the Request Form and returning it to the Company no later than 21 April 2026:
 - (a) post to the Company's registered office at 52 Tuas Avenue 9, Singapore 639193; or
 - (b) email to kknng@annaik.com and estheryeow@annaik.com enclosing a clear scanned completed and signed Request Form.
2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. A member shall specify the proportion of his/her/its shareholding to be represented by each proxy in the instrument appointing the proxies, failing which the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her name in the Depository Register and any second named proxy as an alternate to the first named. A proxy need not be a member of the Company.
3. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her (which number and class of shares shall be specified).
4. The instrument appointing a proxy must be deposited at the registered office of the Company at 52 Tuas Avenue 9, Singapore 639193 by mail or email to kknng@annaik.com and estheryeow@annaik.com, in either case, by 10.00 a.m. on 27 April 2026, being no later than seventy-two hours before the time appointed for holding the Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her 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 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, failing which the instrument may be treated as invalid.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179(3) of the Companies Act 1967, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
7. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the proxy at least seven working days before the Meeting, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
8. In the case of a member whose shares are entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument of proxy lodged if such member, being the appointer, is not shown to have any shares entered against his/her name in the Depository Register as at seventy-two hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

* A Relevant Intermediary is:

- (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; or
- (b) a person holding a capital markets services licence to provide custodial services 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.

Notice of Annual General Meeting

SHAREHOLDERS' QUERIES AND ANSWERS

Shareholders may submit substantial and relevant questions that are related to the resolutions to be tabled for approval at the AGM, in advance of the AGM, before 10.00 a.m. on 21 April 2026, via email to our Investor Relations team at kknng@annaik.com and estheryeow@annaik.com.

Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The Company will endeavour to upload the Company's responses to substantial and relevant questions from shareholders on SGXNet and the Company's website by 24 April 2026. If substantial and relevant questions are submitted after 21 April 2026, they will be addressed during the AGM.

The Company will publish the minutes of the AGM, which will include responses from the Board and Management of the Company on the substantial and relevant questions received from members raised during the AGM or any questions received by the Company after 21 April 2026 on SGXNet and the Company's website within one month from the date of the AGM.

NOTICE OF RECORD AND DIVIDEND PAYMENT DATE

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 8 May 2026 at 5.00 p.m. for the purpose of determining the members' entitlements to the first and final dividend (tax exempt one-tier) of 0.30 Singapore cent per ordinary share for the financial year ended 31 December 2025 ("**Final Dividend**") to be proposed at the AGM of the Company to be held on 30 April 2026.

Duly completed registrable transfers received by the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01 City House, Singapore 068877, up to 5.00 p.m. on 8 May 2026 (the "**Record Date**") will be registered to determine members' entitlements to the proposed Final Dividend.

Members whose securities account with The Central Depository (Pte) Limited are credited with shares in the capital of the Company up to 5.00 p.m. on the Record Date will be entitled to the proposed Final Dividend.

The payment of the proposed Final Dividend, if approved by the members at the AGM to be held on 30 April 2026, will be made on 18 May 2026.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) 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 proxies and representatives appointed 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, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This Notice has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). This Notice has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Notice including the correctness of any of the statements or opinions made or reports contained in this Notice.

The contact person for the Sponsor is Ms Audrey Mok (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

ANNAIK LIMITED

(Company Registration No. 197702066M)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the proxy, at least seven working days before the Meeting, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (Name) _____ (NRIC No./Passport No./Company Registration No.)
of _____ (Address)
being a member/members of AnnAik Limited (the "Company"), hereby appoint:

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

and/or (delete as appropriate)

Name	NRIC No./Passport No.	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 Annual General Meeting (the "Meeting"), as my/our proxy/proxies to vote for me/us on my/our behalf at the Meeting of the Company to be held at 52 Tuas Avenue 9, Singapore 639193 on 30 April 2026 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for, against or to abstain from voting on the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies (other than the Chairman of the Meeting) will vote for, against or abstain from voting at his/her discretion. In appointing the Chairman of the Meeting as proxy, Shareholders (whether individuals or corporations) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

No.	Resolutions relating to:	No. of votes 'For'*	No. of votes 'Against'*	No. of votes 'Abstain'*
Ordinary Business				
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2025			
2	Declaration of first and final dividend for the financial year ended 31 December 2025			
3	Re-election of Mr Ng Kim Keang as Director of the Company			
4	Re-election of Mr Gan Thiam Poh as Director of the Company			
5	Approval of Directors' fees amounting to S\$123,700 for the financial year ended 31 December 2025			
6	Re-appointment of Messrs UHY Lee Seng Chan & Co as Auditors and to authorise the Directors of the Company to fix their remuneration			
Special Business				
7	General mandate to issue new shares			
8	Authority to allot and issue new ordinary shares pursuant to AnnAik Limited Scrip Dividend Scheme			
9	Renewal of Share Buy-Back Mandate			

*If you wish to exercise all your votes 'For', 'Against' or to 'Abstain' from voting, please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this _____ day of _____ 2026

Total number of shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

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 (other than a Relevant Intermediary*), entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A member shall specify the proportion of his/her/its shareholding to be represented by each proxy in the instrument appointing the proxies, failing which the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her name in the Depository Register and any second named proxy as an alternate to the first named. A proxy need not be a member of the Company.
3. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her (which number or class of shares shall be specified).
4. Subject to note 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.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 52 Tuas Avenue 9, Singapore 639193 by mail or email to kknng@annaik.com and estheryeow@annaik.com, in either case, by 10.00 a.m. on 27 April 2026, being no later than seventy-two hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her 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 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, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179(3) of the Companies Act 1967, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
8. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his/her vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the proxy at least seven working days before the Meeting, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

* A Relevant Intermediary is:

- (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; or
- (b) a person holding a capital markets services licence to provide custodial services 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.

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 14 April 2026.

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 seventy-two hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Corporate Directory

Board of Directors

Mr Ow Chin Seng, BBM, PBM
Executive Chairman cum CEO

Mr Ow Eei Phurn Benedict
Executive Director cum Sales Director

Mr Ng Kim Keang
Executive Director cum COO

Mr Lim Geok Peng
Lead Independent Director

Ms Tan Poh Hong
Mr Gan Thiam Poh
Independent Directors

Corporate Information

Audit Committee
Mr Lim Geok Peng
Chairman and Lead Independent Director
Mr Gan Thiam Poh
Ms Tan Poh Hong

Nominating Committee
Mr Gan Thiam Poh
Chairman
Mr Lim Geok Peng
Ms Tan Poh Hong
Mr Ow Chin Seng, BBM, PBM

Remuneration Committee
Ms Tan Poh Hong
Chairman
Mr Gan Thiam Poh
Mr Lim Geok Peng

Management Team

Distribution Division
Mdm Low Kheng
Director of a subsidiary
– Singapore

Mr Ow Eei Meng Benjamin
Group Deputy CEO

Manufacturing Division
Mr Lim Khan Choon
General Manager
– Malaysia

Environmental & Engineering Division
Dr Qiu Jiangping
Group President
– Environmental Business
– China

Dr Wang Jin
General Manager
– Environmental Business
– China

Company Secretaries

Mr Tan Zhi Wei
Ms Chai Li-Lin, Charlene

Registered Office

52 Tuas Avenue 9
Singapore 639193
Tel: 65 6210 2727, 6210 2726
Fax: 65 6861 5705, 6861 6919
Email: sales@annaik.com

Share Registrar

In.Corp Corporate Services Pte. Ltd.
36 Robinson Road
#20-01 City House
Singapore 068877
Tel: 65 6990 8220
Fax: 65 6395 0670

Principal Bankers

United Overseas Bank Ltd
80 Raffles Place
UOB Plaza 1
Singapore 048624

DBS Bank Ltd
12 Marina Boulevard #43-03
Marina Bay Financial Tower 3
Singapore 018982

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
#06-00, OCBC Centre East
Singapore 049514

Sponsor

SAC Capital Private Limited
1 Robinson Road #21-01
AIA Tower
Singapore 048542

Public Accountants and Auditors

UHY Lee Seng Chan & Co.
Public Accountants and Chartered Accountants
(Partner: Mr Lee Sen Choon)
Appointed since financial year ended 31 December 2022
6001 Beach Road #14-01
Golden Mile Tower
Singapore 199589



(Company Registration No. 197702066M)

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