ASTI HOLDINGS LIMITED

2022 ANNUAL REPORT

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ABOUT ASTI

CORPORATE OVERVIEW

ASTI Holdings Limited ("ASTI" or "the Group"), listed on the mainboard of the Singapore Exchange, is a global leader in backend Semiconductor Tape & Reel packaging and Integrated Circuit Programming Services. As one of the largest independent providers in the world, we serve a broad spectrum of contract manufacturers and component distributors worldwide.

On 6 June 2022, the ASTI received a delisting notification from SGX-ST and trading in the Company's securities was ceased on 9am, 5 July 2022 and trading will remain suspended until the completion of an exit offer.

GLOBAL OPERATIONS

Headquartered in Singapore, ASTI operates 7 strategically located factories across Southeast Asia, Greater China and the United Kingdom. This expansive network ensures we remain close to our customers, facilitating efficient distribution and exceptional service across key markets in Asia and beyond.

INTEGRATED SOLUTIONS AND SERVICES

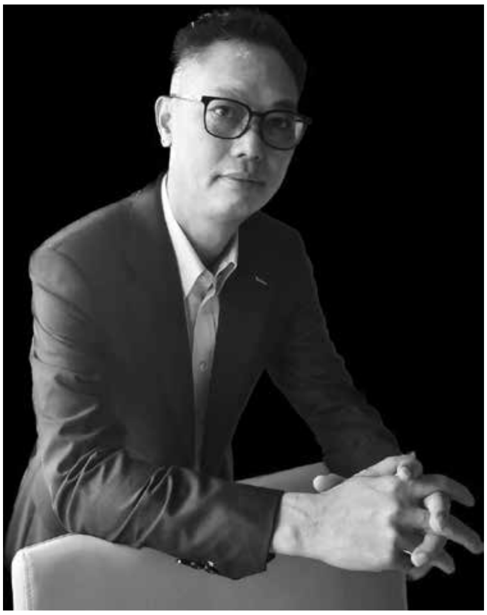
With a robust and synergistic portfolio, the ASTI Group of companies delivers comprehensive, integrated solutions tailored to meet the diverse needs of our clients. Our extensive reach and capabilities position us as a trusted partner in the semiconductor industry.

STRATEGIC HOLDINGS

ASTI also holds a controlling equity interest in Dragon Group International Limited ("DGI"), was recently delisted on 9 September 2024 due to DGI's decision to proceed with a creditors' voluntary liquidation pursuant to section 160(1)(b) of the Insolvency, Restructuring and Dissolution act of 2018.

For more information, please visit our website at www.astigp.com.

LETTER TO SHAREHOLDERS



DEAR SHAREHOLDERS,

The current Board of Directors and I were appointed on 15 and 16 January 2024. Upon our appointment, we took steps to complete the long outstanding audit of the financial statements of ASTI Holdings Limited and its subsidiaries (collectively the ASTI Group) for the financial year ended 31 December 2022. We appointed a new auditor on 15 May 2024 and now present to the shareholders the audited financial statements for FY2022. The current Board was not involved in any of the business and strategy of the Group in the course of FY2022.(1)

Further, as set out in the Company's announcement on 24 January 2024, the Company is in the process of reviewing the corporate and business dealings and transactions of the Group under the previous Board of Directors, and there may be a possibility that findings from such review might not be consistent with the contents of this report.

For FY2022, the ASTI Group recorded a revenue of S$67.0 million for FY2022, an increase of S$12.7 million or 23.4% from S$54.3 million in FY2021.

Net profit for FY2022 was S$4.5 million, as compared to the net loss recorded in FY2021. As of 31 December 2022, the Group held cash and cash equivalents of S$25.9 million and shareholders' equity of S$45.1 million.

The Company declared a tax-exempt interim dividend of S$0.0045 per share for FY2022 on 23 February 2023 and subsequently made the payment on 5 May 2023.

The Group will commence audit for the financial year ended 31 December 2023 ("FY2023") after the conclusion of FY2022 Annual General Meeting ("AGM") and hold the FY2023 AGM in due course.

OUTLOOK AND STRATEGY FOR FY2024 AND BEYOND

Since the Board took over in January 2024, we have carefully assessed the outlook for ASTI amidst the current global challenges. The softening demand for chips, coupled with ongoing economic uncertainties and a tough business environment, has led to a more cautious stance from our customers, which has resulted in decreasing sales orders. Against this backdrop, we anticipate that our sales and profit may be impacted in the near term, including for the financial year ending 31 December 2024 ("FY2024").

Given the expected softness in demand, in FY2024, the Group will focus on recalibrating its strategies to navigate these headwinds. We are committed to maintaining our financial health and positioning ASTI for long-term growth. The semiconductor sector remains a key growth driver, and we believe that with the right strategies, we could be profitable in the coming years.

LETTER TO SHAREHOLDERS

In light of the rapid changes and uncertainties globally, it is crucial that we continuously evaluate our business operations, ensuring that we remain agile and responsive to the evolving market landscape. Parts of our business that are no longer aligned with our strategic goals will be restructured to enhance overall efficiency.

APPRECIATION

On behalf of the Board of Directors, I would like to extend my heartfelt thanks to our management and staff for their dedication and contributions during these challenging times. We also deeply appreciate the continued support of our customers, shareholders, business partners, and suppliers.

I am confident that our strong foundation and the resilience of our team will enable us to navigate these challenges and achieve our long-term goals.

Yours Sincerely,

Ng Yew Nam
Chief Executive Officer and Executive Director

[1] *Save that for completeness, Mr Soh Pock Kheng entered into a one year Service Agreement with the Company with effect from 7 September 2022 as an Independent Contractor.*

FINANCIALS REVIEW

STATEMENT OF PROFIT OR LOSS

Revenue

The Group registered a revenue of S$67.0 million for the financial year ended 31 December 2022 ("FY2022"), an increase of S$12.7 million or 23.4% from S$54.3 million in the previous year ended 31 December 2021 ("FY2021"), mainly due to higher demand ramp-up by our key customers as chip shortages continue across the industry.

Profit before tax

Other income comprised of government incentives, grants and rental income of S$0.6 million in FY2022, a decrease of S$0.6 million compared to FY2021 was mainly due to the absence of COVID related incentives and advance from customer written off.

Administrative expenses decreased by S$6.0 million or 37.0% from S$16.2 million in FY2021 to S$10.2 million in FY2022. This was mainly due to the lower payroll related expenses in FY2022, including the absence of one-off retrenchment paid in FY2021 to the former CEO of the Company.

Other losses of S$1.4 million included allowance on amounts due from associates and net foreign exchange loss total amounting to S$1.6 million. This was net off against trade receivables written back of S$0.2 million. The decrease in other expenses was mainly due to impairment of investment and allowance on amounts due from associates in FY2021.

Finance costs increased by S$55,000 or 39.6% in FY2022 compared to FY2021 mainly due to higher interest arising from bank loans and trade financing.

Tax expense

The Group recorded tax expense of S$1.1 million in FY2022.

Net Profit

Overall, the Group reported a net profit after tax of S$4.5 million in FY2022.

STATEMENT OF FINANCIAL POSITIONS

Non-current assets

Non-current assets increased by S$10.4 million or 38.2% from S$27.2 million in FY2021 to S$37.5 million in FY2022 mainly due to the addition of property, plant and equipment purchased by the Group to support the business growth during the financial year.

Current assets

Current assets increased by S$3.1 million or 7.5% from S$41.6 million in FY2021 to S$44.7 million in FY2022. This was mainly due to higher trade receivables as a result of higher revenue and higher cash and bank balances offset by the lower amounts due from associates.

Current liabilities

There was no material changes in current liabilities during the year. The increase in other payables was offset by the decrease in trade payables and accruals, loans and lease liabilities.

Non-current liabilities

Non-current liabilities increased from S$4.4 million in FY2021 to S$13.4 million FY2022 mainly due to new secured bank loans taken up during the year.

FINANCIALS REVIEW

CASH FLOWS

Net cash generated from operating activities in FY2022 amounted to S$8.4 million. This was mainly due to the operating cashflows before changes in working capital of S$15.2 million, adjusted by a decrease in net working capital of S$5.5 million and interest and income tax paid of S$1.3 million.

Net cash used in investing activities amounting to S$14.1 million was due to the purchase of property, plant and equipment during the financial year.

Net cash generated from financing activities amounting to S$8.1 million was due to the proceeds from bank borrowings of S$9.4 million and offset by the loan and lease liabilities repayment of S$1.3 million respectively.

As a result of the above, cash and cash equivalents increased by S$2.5 million in FY2022. Together with the effect of exchange rate changes, the cash and cash equivalents stood at S$25.9 million as at 31 December 2022.

BOARD OF DIRECTORS

MR. NG YEW NAM, 54

Executive Director and Chief Executive Officer

Mr. Ng was appointed as the Executive Director and Chief Executive Officer of ASTI Holdings Limited on 15 January 2024.

Mr. Ng is the Managing Director and Founder of iTrue Technologies Pte Ltd, leading the Company from its inception in 2005 until January 2024. Under his direction, iTrue Technologies specialized in automatic machine vision inspection for the Electronic and Passive Components Industries.

With strong business acumen and inspiring leadership, Mr. Ng played a pivotal role in securing numerous business accounts and cultivating a dedicated, high performing team. His critical thinking and foresight proved vital during challenging times, such as the 2008 global financial crisis and the COVID-19 pandemic, ensuring the Company's resilience and continued success.

In addition to his achievements at iTrue Technologies, Mr. Ng was appointed CEO of ASTI, where he was tasked with revitalizing the Company and driving its business forward.

MR. SOH POCK KHENG, 53

Executive Director and Chief Operating Officer

Mr. Soh was appointed the Executive Director of ASTI Holdings Limited on 15 January 2024.

He was redesignated from Executive Director to Executive Director and Chief Operating Officer on 6 May 2024.

Mr. Soh has a depth of experience in the electronics industry having spent more than 20 years in various disciplines ranging from development of acoustics products use in computing, consumer and communication application. He is a co-founder of two technology companies in Singapore and China.

BOARD OF DIRECTORS

MR. CHOW WAI SAN, 52

Independent Non-Executive Chairman
Chairman, Audit Committee
Member, Nominating Committee
Member, Remuneration Committee

Mr. Chow was appointed as the Independent Non-Executive Chairman of ASTI Holdings Limited on 16 January 2024. He is also the Chairman of the Audit Committee and a member of both the Nominating Committee and Remuneration Committee.

Mr. Chow is the Managing Director of Aquifer Consulting Pte Ltd, a boutique corporate advisory firm, and he has more than 25 years of professional experience in various corporate advisory work. He graduated from Nanyang Technological University of Singapore with a Bachelor of Accountancy degree. Mr. Chow is a Chartered Accountant of Singapore, a member of CPA Australia, a CFA charter holder and an ordinary member of the Singapore Institute of Directors.

MR. RAYMOND LAM KUO WEI, 47

Independent Non-Executive Director
Chairman, Remuneration Committee
Member, Audit Committee
Member, Nominating Committee

Mr. Lam was appointed as the Independent Non-Executive Director of ASTI Holdings Limited on 16 January 2024. He is also the Chairman of the Remuneration Committee and a member of both the Audit Committee and Nominating Committee.

Mr. Lam is a Director at Drew & Napier LLC and is currently the Chief Operating Officer of Drew Network Asia and Head of Business Development at Drew & Napier LLC. He is also an Independent Director of Nippecraft Limited and XMH Holdings Ltd.

Mr. Lam graduated from the National University of Singapore with a Bachelor of Laws (LLB).

He was admitted to the Singapore Bar in 2002 and admitted as a Solicitor in England & Wales in 2008. He is a Notary Public and a Commissioner for Oaths. Mr. Lam is a Fellow of the Chartered Secretaries Institute of Singapore and is a member on its Management Council.

BOARD OF DIRECTORS

MR. YAP ALVIN TSOK SEIN, 53

Independent Non-Executive Director
Chairman, Nominating Committee
Member, Audit Committee
Member, Remuneration Committee

Mr. Yap was appointed as the Independent Non-Executive Director of ASTI Holdings Limited on 16 January 2024. He is also the Chairman of the Nominating Committee and a member of both the Audit Committee and Remuneration Committee.

Mr. Yap, is currently a Director in Quan Advisors Pte Ltd, the Mergers & Acquisition (M&A) practice of the SCS-Invictus Financial Services Group, and has held various senior regional M&A and Commercial Finance roles in his previous positions. Mr. Yap graduated from the University of New South Wales Australia with a Bachelor of Commerce (Accounting) and a Bachelor of Laws. He is also a Chartered Accountant (Australia & New Zealand).

KEY MANAGEMENT

MR. TAN SZE LENG
Chief Financial Officer, ASTI Holdings Limited

Mr. Tan joined the Group in May 2024. He oversees the Group's functions in accounting, finance, tax, corporate matters and investor relations. Prior to joining the Group, he was the Chief Financial Officer ("CFO") at Meta Health Limited from September 2022 to April 2024. Mr. Tan has over 20 years of professional experience in auditing, financial reporting, treasury, corporate fundraising and participated in various mergers and acquisitions activities. Mr. Tan obtained his Master of Business Administration from the Warwick Business School. He is a member of the Institute of Singapore Chartered Accountants, associated members of Institute of Valuers and Appraisers, Singapore (IVAS) and Singapore Institute of Directors.

MR. ONG YU HUAT
Senior Vice President, Telford Group

Since beginning his career with Texas Instruments Singapore in 1986, Mr. Ong has held various key positions in manufacturing, purchasing, engineering and sales and marketing. Mr. Ong joined the Group in 1999. He holds a Bachelor of Science in Physics from the National University of Singapore.

MR. GARY SMITH
Managing Director, Reel Service Ltd, Scotland

Mr. Smith originally joined Reel Service in 1988 as Engineering Manager, then became Director of the Engineering for the Reel Service Group where he helped set up subsidiaries in Germany, Singapore, USA, Philippines and Israel. Prior to joining Reel Service, he spent 5 years working with Hughes Microelectronics (Now Raytheon) where he gained extensive knowledge and experience in Quality, Project and Process Engineering. In 2002 Mr. Smith set up his own company in Property Development & Project Management. Prior to starting back with Reel Service in August 2015, Mr. Smith was working with charity based Housing Associations dealing with Property Development & Maintenance.

GROUP FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 DECEMBER

Key Financial Data	FY2022 S$'000	FY2021 S$'000 (restated)	FY2020 S$'000 (restated)
Group revenue	67,006	54,281	57,046
Profit/(loss) before income tax	5,656	(25,297)	(252)
Profit/(loss) attributable to owners of the Company	5,401	(11,523)	2,098
EBITDA*	14,911	(17,553)	7,039
At Year End			
Shareholders' funds/Net assets	63,545	59,294	70,609
Total assets	82,262	68,761	94,620
Per Share			
Net earnings/(loss) (cent)**	0.82	(1.76)	0.32
Net Assets Value (cent)***	9.71	9.06	10.78
Financial Ratios			
Return of equity (%)#	7.4	-40.7	-3.3

* EBITDA means earnings before interest expense, interest income, tax, depreciation, amortisation and impairment losses.
** Earnings/(Loss) per share is based on the weighted average number of shares.
*** Net assets per share is based on the number of issued shares (excluding treasury share) as at year end.
# Calculation of return on equity is based on the profit/(loss) after tax over the average of beginning and closing of shareholders' funds.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive:
Mr. Ng Yew Nam
Executive Director and Chief Executive Officer
Mr. Soh Pock Kheng
Executive Director and Chief Operating Officer

Non-Executive:
Mr. Chow Wai San
Independent Non-Executive Chairman
Mr. Raymond Lam Kuo Wei
Independent Non-Executive Director
Mr. Yap Alvin Tsok Sein
Independent Non-Executive Director

AUDIT COMMITTEE

Mr. Chow Wai San
(Chairman)
Mr. Raymond Lam Kuo Wei
Mr. Yap Alvin Tsok Sein

NOMINATING COMMITTEE

Mr. Yap Alvin Tsok Sein
(Chairman)
Mr. Chow Wai San
Mr. Raymond Lam Kuo Wei

REMUNERATION COMMITTEE

Mr. Raymond Lam Kuo Wei
(Chairman)
Mr. Chow Wai San
Mr. Yap Alvin Tsok Sein

COMPANY SECRETARY

Ms. Sharon Lee

REGISTERED OFFICE

33 Ubi Avenue 3
#06-72 Vertex
Singapore 408868
Tel: (65) 8687 1566

BUSINESS OFFICE

33 Ubi Avenue 3
#06-72 Vertex
Singapore 408868
Tel: (65) 8687 1566

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632
Tel: (65) 6536 5355
Fax: (65) 6536 1360

INDEPENDENT AUDITOR

Forvis Mazars LLP (formerly known as Mazars LLP)
Public Accountants and Chartered Accountants
135 Cecil Street #10-01
Singapore 069536

AUDIT PARTNER-IN-CHARGE:

Mr. Lai Keng Wei

PRINCIPAL BANKER

United Oversea Bank Limited

CORPORATE GOVERNANCE REPORT

Financial Year Ended 31 December 2022 ("FY2022")

The board of directors (the "**Board**" or "**Directors**") of ASTI Holdings Limited (the "**Company**" and together with its subsidiaries, collectively the "**Group**") is pleased to present this Corporate Governance Report ("**Report**") which outlines the corporate governance practices and procedures adopted by the Company with specific reference to the Principles and the Provisions of the Code of Corporate Governance 2018 (the "**Code**") and the Mainboard Rules ("**Listing Rules**") of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

As at the date of this Report, the Directors of the Company are:

Mr Chow Wai San – Independent and Non-Executive Chairman *(Appointed on 16 January 2024)*
Mr Ng Yew Nam – Executive Director and Chief Executive Officer ("**CEO**") *(Appointed on 15 January 2024)*
Mr Soh Pock Kheng – Executive Director and Chief Operations Officer ("**COO**") *(Appointed on 15 January 2024)*
Mr Yap Alvin Tsok Sein – Independent and Non-Executive Director *(Appointed on 16 January 2024)*
Mr Raymond Lam Kuo Wei – Independent and Non-Executive Director *(Appointed on 16 January 2024)*

Unless otherwise indicated, all references to the Directors, the Board and Board Committees in this Report refer to the aforesaid current Directors.

This Report describes the corporate governance practices of the Company and the Group that are in place following the appointments of the aforesaid Directors in the financial year ending 31 December 2024 ("**FY2024**"). None of the aforesaid Directors were involved in the business, management, financial affairs and corporate governance practices of the Company and the Group in the financial years ended 31 December 2022 ("**FY2022**") and 31 December 2023 ("**FY2023**") or prior to their appointments*. Further, as set out in its announcement dated 24 January 2024, the Company is in the process of reviewing the corporate and business dealings and transactions of the Group under the previous Board of Directors, and there may be a possibility that findings from such review might not be consistent with the contents of this report.

For FY2024, the Company has complied with the Principles as set out in the Code and the relevant Listing Rules and to the extent that there are deviations from the Provisions of the Code, explanations have been provided in this Report. For FY2022 and FY2023, disclosures relating to the Company's corporate governance practices are based on available information and records, and to the best of the Board's knowledge and belief.

While it is always the objective of the current Board to ensure all the Provisions of the Code are followed strictly by the Group, however, in view of the current lean cost structure and financial position of the Group, there are situations and reasons where full compliance with the Provisions of the Code may not be feasible or may not be meaningful for the Group at this stage in time. In this regard, where there are areas of the current practices which deviate from the Provisions of the Code, appropriate explanations are provided accordingly, and how the practices the Company had adopted are consistent with the intent of the relevant Principle of the Code. The Company will continue to assess its needs and implement appropriate practices accordingly.

* *Mr Soh Pock Kheng was an independent contractor of the Company pursuant to a service agreement dated 7 September 2022.*

CORPORATE GOVERNANCE REPORT

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.

Provision 1.1

Board duties and responsibilities

The main role and responsibility of the Board is to provide effective leadership and oversee the business affairs of the Company and to set policies, strategies and goals for the Company and the Group. The Board also sets the tone for the Group where ethics and values are concerned.

The Board has direct responsibility for decision-making in respect of various specific matters, including:

1. Reviewing and approving Management's strategic and business plans, including understanding and questioning the assumptions upon which plans are based, and reaching an independent judgement as to the probability that the plans can be realised;

2. Approving the annual budget, material acquisitions and disposals of assets or investments, major funding proposals, and any other matters which requires the Board's or shareholders' approval pursuant to the Listing Rules, the Singapore Companies Act 1967 ("**Companies Act**") and other applicable rules and regulations;

3. Establishing a framework of prudent and effective controls which enables risks to be properly assessed and managed to safeguard shareholders' interests and the Group's assets;

4. Reviewing the financial performance of the Group and necessary reporting compliance of the Group with all applicable laws, rules and regulations;

5. Approving the nomination and appointment of Directors and appointment of key management personnel ("**KMP**") of the Company;

6. Identifying key stakeholder groups and recognising that their perceptions affect the Group's reputation;

7. Setting the Company's values and standards (including ethical standards) and ensuring that obligations to shareholders and other stakeholders are understood and met;

8. Assuming responsibility for corporate governance of the Group;

CORPORATE GOVERNANCE REPORT

9. Considering sustainability issues as part of the strategic formulation of the Group; and

10. Performing such other functions as are prescribed by law or assigned to the Board in the Company's governing documents.

The Board has in place written terms of reference which clearly sets out the Board's responsibilities in accordance with the Code and Listing Rules.

All Directors exercise due diligence and independent judgement in dealing with business affairs of the Group and are obliged to act in good faith and to make objective decisions in the interest of the Group.

Conflict of Interests

All Directors of the Company are required to act objectively in the best interests of the Company as fiduciaries at all times. Every Director is required to promptly disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Company as soon as is practicable after the relevant facts have come to his knowledge.

A Director who has an interest in a matter which may conflict with his duties to the Company must disclose his interests, recuse himself from the discussion and abstain from voting on the matter.

Provision 1.2

Directors' Induction, Training and Development

The Company currently does not have a formal training program for the Directors but on an ongoing basis, the Directors are provided with updates from professional advisers, the internal and external auditors, the Company Secretary and Management on relevant practices, new laws, rules and regulations that are relevant to the performance of their duties and responsibilities as Directors.

Newly appointed Directors will be provided with information about the Group, the relevant governing documents of the Company and contact particulars of senior members of Management. Procedures are in place whereby newly appointed Directors are informed of their terms of appointment, duties and obligations.

Directors who do not have prior experience as a director of a Singapore-listed company will attend the prescribed training courses as required under Listing Rule 210(5)(a). The Board is unable to confirm whether the former Directors in office in FY2022 and FY2023 who had no prior experience as a director of a Singapore-listed company had attended the prescribed training courses as required under Listing Rule 210(5)(a).

As at the date of this Report, Mr Ng Yew Nam, Executive Director and CEO, and Mr Yap Alvin Tsok Sein, Independent and Non-Executive Director, are attending the prescribed training courses as required under Listing Rule 210(5)(a).

CORPORATE GOVERNANCE REPORT

Provision 1.3

Matters Requiring Board Approval

The Company has adopted and documented internal guidelines setting forth matters that require Board approval. The types of material transactions that require Board approval under such guidelines are listed below:

1. Approval of material investment and divestment proposals, acquisitions and disposals, and funding requirements;

2. Approval of announcements released via SGXNet, including financial results announcements;

3. Approval of corporate plans and budgets, annual and interim reports, financial statements, directors' statement and annual reports;

4. Issuances of shares and other securities, dividends and other returns to shareholders;

5. Authorisation of financing facilities and corporate guarantees;

6. Approval of corporate restructuring and changes in corporate business strategy and direction;

7. Appointment and cessation of Directors and KMP;

8. Convening of general meetings;

9. Interested party transactions; and

10. Any other matters as prescribed under the relevant legislations and regulations and the provisions of the Company's Constitution.

Apart from the matters that specifically require the Board's approval, the Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Management so as to optimise operational efficiency.

Management is responsible for the day-to-day operations of the Company and implementing the decisions of the Board. Where a subject has been reserved for the Board or a Board Committee's approval in its terms of reference, approval must be obtained before it is implemented.

CORPORATE GOVERNANCE REPORT

Provision 1.4

Board Committees

The Board has delegated certain functions to various board committees, namely the Audit Committee (the "**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"). Each of the Board Committees has its own written terms of reference and whose actions are reported to and monitored by the Board. The Board accepts that while the Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

A description of, among other things, composition and the written terms of reference of the respective Board Committees is set out in this Report.

Provisions 1.5 and 1.6

Board Processes and Meeting Attendance

Based on the Company's statutory records and to the best of the Board's knowledge and belief, attendance at formal meetings by former Directors of the Company in FY2022 and FY2023 are set out in the table below.

Directors	Membership	Board	AC	NC	RC	AGM**
		Number of meetings attended in FY2022				
Dato' Michael Loh Soon Gnee[1]	Non-Executive and Non-Independent Chairman	6*	6	2	2	–
Dr Daniel Yeoh Ghee Chong[2]	Lead Independent Director	6	7*	2	2	–
Mr Anthony Loh Sin Hock[3]	Executive Director	6	7	2	2	–
Dato' Sri Mohd Sopiyan B Mohd Rashdi[4]	Independent Non-Executive Director	6	7	2	2*	–
Dato' Ahmad Rasidi B Hazizi[5]	Independent Non-Executive Director	6	7	2*	2	–
Dr Kriengsak Chareonwongsak[6]	Non-Independent Director	6	7	2	2	–
Number of meetings held in FY2022		**6**	**7**	**2**	**2**	**–**

CORPORATE GOVERNANCE REPORT

Directors	Membership	Board	AC	NC	RC	AGM**
		Number of meetings attended in FY2023				
Dato' Michael Loh Soon Gnee[1]	Non-Executive Non-Independent Chairman	1*	1	1	1	–
Dr Daniel Yeoh Ghee Chong[2]	Lead Independent Director	1	1*	1	1	–
Mr Anthony Loh Sin Hock[3]	Executive Director	8	4	3	1	1
Dato' Sri Mohd Sopiyan B Mohd Rashdi[4]	Independent Non-Executive Director	8	4*	3	1*	1
Dato' Ahmad Rasidi B Hazizi[5]	Independent Non-Executive Director	3	2	3*	1	–
Dr Kriengsak Chareonwongsak[6]	Non-Independent Director	8*	4	3	1	1
Mr Charlie Jangvijitkul[7]	Independent Non-Executive Director	5	2	–	–	1
Mr Theerachai Leenabanchong[8]	Non-Independent Non-Executive Director	7	3	2	–	1
Number of meetings held in FY2023		**8**	**4**	**3**	**1**	**1**

* *Denotes Chairman.*

** *No AGM was convened in 2022. The AGM held on 31 August 2023 was for FY2021.*

1 *Dato' Michael Loh Soon Gnee was appointed as Executive Chairman of the Company on 23 October 2003 and ultimately resigned as non-executive and non-independent chairman on 23 February 2023. On 7 April 2019, he tendered his resignation from his initial appointment, providing 12 months' notice (i.e. his last working day being 7 April 2020). On 29 March 2020, he withdrew his resignation and was re-appointed as non-executive and non-independent chairman until his subsequent resignation on 23 February 2023.*

2 *Dr Daniel Yeoh Ghee Chong was appointed as an Independent Non-Executive Director and Lead Independent Director of the Company on 1 May 2018 and resigned on 20 March 2023.*

3 *Mr Anthony Loh Sin Hock was appointed as an Executive Director of the Company on 11 November 2022 and resigned on 15 January 2024. He also held the position of Acting Chief Executive Officer ("**CEO**") of the Company from 31 December 2021 to 15 January 2024. He was employed as the Chief Financial Officer ("**CFO**") of the Company from 1 December 2021 to 9 April 2024.*

4 *Dato' Sri Mohd Sopiyan B Mohd Rashdi was appointed as an Independent and Non-Executive Director of the Company on 1 May 2018 and resigned on 15 January 2024.*

5 *Dato' Ahmad Rasidi B Hazizi was appointed as an Independent and Non-Executive Director of the Company on 30 November 2021 and resigned on 15 May 2023.*

6 *Dr Kriengsak Chareonwongsak was appointed as an Independent and Non-Executive Director of the Company on 12 August 2011 and resigned on 8 January 2024. He was considered independent up to 1 January 2022. He was redesignated as a Non-Independent and Non-Executive Chairman from 23 February 2023 and resigned on 8 January 2024.*

7 *Mr Charlie Jangvijitkul was appointed as an Independent and Non-Executive Director of the Company on 15 May 2023 and resigned on 15 January 2024. Mr Charlie Jangvijitkul was appointed as Chairman of the Nominating Committee and Remuneration Committee on 15 May 2023, a position he held until he resigned from the Board on 15 January 2024.*

8 *Mr Theerachai Leenabanchong was appointed as Non-Independent and Non-Executive Director of the Company on 23 February 2023 and resigned on 15 January 2024.*

CORPORATE GOVERNANCE REPORT

Attendance at formal meetings by the Directors of the Company for the period from 16 January 2024 up to the date of this Report are set out in the table below.

Directors	Membership	Board	AC	NC	RC	AGM**
		Number of meetings attended				
Mr Chow Wai San	Independent Non-Executive Chairman	2*	2*	2	2	1*
Mr Ng Yew Nam	Executive Director & CEO	2	2	2	2	1
Mr Soh Pock Kheng	Executive Director & COO	2	2	2	2	1
Mr Yap Alvin Tsok Sein	Independent Non-Executive Director	2	2	2*	2	1
Mr Raymond Lam Kuo Wei	Independent Non-Executive Director	2	2	2	2*	1
Number of meetings held from 16 January 2024 to the date of this Report		**2**	**2**	**2**	**2**	**1**

* *Denotes Chairman.*

** *The AGM for FY2021, which was held 31 August 2023, was adjourned and reconvened on 15 May 2024.*

During the Company's meetings, Management will provide the Board with updates on the Group's business and operations and the financial performance for that period, and any other significant matters or issues that may have arisen. The Board is apprised of the progress of the Group's business and operations as well as the issues and challenges facing the Group.

Unless a Director is required to recuse himself from the deliberations and abstain from voting on any matter due to a potential conflict of interest, all Directors will participate in the discussions and deliberations at Board and Board Committee meetings. A Director who is not able to attend a Board or Board Committee meeting in person is permitted by the Company's Constitution to participate by way of telephone or video-conferencing.

Management will attend Board and Board Committee meetings to provide any other information required by the Board or the relevant Board Committee, and to answer any queries from the Directors. In addition to scheduled meetings, Management also regularly communicates with the Directors outside of formal Board and Board Committee meetings as appropriate through other means, such as electronic mail, telephone or video-conferencing, or separate physical meetings.

CORPORATE GOVERNANCE REPORT

The Board and Board Committees may also make decisions by way of circular resolutions in writing in accordance with the Company's Constitution and the respective terms of references of the Board Committees. Management will, where required, provide any additional information required for the Directors to deliberate on the relevant matter before approving such written resolutions.

Where necessary, additional Board and Board Committee meetings are convened to address significant transactions or issues that arise. Board papers and related materials (including, where appropriate, relevant background or explanatory information, financial analysis and/or external reports) are provided to the Directors in advance of the relevant Board or Board Committee meetings.

The Board requires Directors to be able to commit sufficient time and attention to the affairs of the Board and their relevant Board Committees. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Company. More information on Directors' board representations is set out under Provision 4.5 of Principle 4 entitled "Board Membership", in this Report.

Provision 1.7

Access to Management, Advisors and Information

The Board has separate and independent access to Management, the internal and external auditors and the Company Secretary, and are entitled to request from Management and be provided with additional information as needed to make informed decisions.

The Board takes independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. The Directors, whether as a group or individually, may also seek independent professional advice or engage subject-matter experts at the Company's expense in the course of discharging their duties.

Company Secretary

The Company Secretary attends all Board and Board Committee meetings and is responsible for ensuring that Board and Board Committee procedures are followed. The Company Secretary advises the Board on governance and compliance matters and, together with other management staff, assists the Company with compliance with the applicable requirements, rules and regulations.

The appointment and the removal of the Company Secretary are subject to the approval of the Board.

CORPORATE GOVERNANCE REPORT

Commitment to Sustainability

The Board reviews the Company's performance, policies and practices in relation to material environmental, social and governance ("**ESG**") topics.

The Board, together with Management, considers ESG matters in its business strategy where applicable. The Board will assess opportunities and risks presented by material ESG topics, which helps the Board to determine the appropriate strategies, policies and practices that will provide the Company with the adaptability and flexibility to seize opportunities to deliver sustainable shared socio-economic value and progress to key stakeholders, while being well-supported by sound risk management.

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.

Provisions 2.1 to 2.3

Board and Director Independence

In FY2022, there were 6 Directors on the former Board, of which 3 were Independent Directors.

In FY2023, there were 8 Directors on the former Board, of which 4 were Independent Directors.

As at the date of this Report, there are 5 Directors on the Board, of which 3 are Independent Non-Executive Directors. There is a strong and independent element on the Board with Independent Non-Executive Directors comprising a majority of the Board, and no individual or small group of individuals dominate the Board's decision-making. As at the date of this Report, the Company complies with Provisions 2.2 and 2.3 of the Code, which requires Independent Directors and Non-Executive Directors to make up a majority of the Board.

The NC assists the Board to assess the independence of each Director in accordance with the guidance in the Code and the Listing Rules, as well as the disclosure of his other appointments and commitments, personal circumstances, and his conduct in the discharge of his duties.

Based on the Code, the NC considers an "independent director" as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. Each Independent Director is also required to complete, on an annual basis, a Confirmation of Independence form based on Principle 2 of the Code for the NC's review and recommendation to the Board.

CORPORATE GOVERNANCE REPORT

As at the date of this Report, the NC had reviewed the independence of each of the current Independent Non-Executive Directors and is satisfied that they are still independent. The Board concurs with the NC's assessment. Each Independent Non-Executive Director had abstained from deliberating on his respective independence.

Tenure of Independent Directors

In FY2022 and FY2023, one of the former Directors, Dr Kriengsak Chareonwongsak, had served for more than nine years as an Independent Director. He was considered independent up to 1 January 2022 and was redesignated as a Non-Independent Non-Executive Director until he resigned on 8 January 2024.

As at the date of this Report, none of the Directors, independent or executive, have served for more than nine years.

Provision 2.4

Board Composition and Size

The following is information on the Company's board composition and size in FY2022 and FY2023.

Directors	Board Membership	Committee Membership		
		Audit	Remuneration	Nominating
FY2022				
Dato' Michael Loh Soon Gnee[1]	Non-Executive Non-Independent Chairman	–	–	–
Dr Daniel Yeoh Ghee Chong[2]	Lead Independent Director	Chairman	Member	Member
Mr Anthony Loh Sin Hock[3]	Executive Director	–	–	–
Dato' Sri Mohd Sopiyan B Mohd Rashdi[4]	Independent Non-Executive Director	Member	Chairman	Member
Dato' Ahmad Rasidi B Hazizi[5]	Independent Non-Executive Director	Member	Member	Chairman
Dr Kriengsak Chareonwongsak[6]	Non-Executive Non-Independent Director	Member	Member	Member

CORPORATE GOVERNANCE REPORT

Directors	Board Membership	Committee Membership		
		Audit	Remuneration	Nominating
FY2023				
Dr Kriengsak Chareonwongsak[6]	Non-Executive Non-Independent Chairman	Member	Member	Member
Mr Anthony Loh Sin Hock[3]	Executive Director	–	–	–
Dato' Sri Mohd Sopiyan B Mohd Rashdi[4]	Lead Independent Director	Chairman	Chairman	Member
Dato' Ahmad Rasidi B Hazizi[5]	Independent Non-Executive Director	Member	Member	Chairman
Mr Charlie Jangvijitkul[7]	Independent Non-Executive Director	Member	Chairman	Chairman
Mr Theerachai Leenabanchong[8]	Non-Executive Non-Independent Director	–	–	–

1 *Dato' Michael Loh Soon Gnee was appointed as Executive Chairman of the Company on 23 October 2003 and ultimately resigned as non-executive and non-independent chairman on 23 February 2023. On 7 April 2019, he tendered his resignation from his initial appointment, providing 12 months' notice (i.e. his last working day being 7 April 2020). On 29 March 2020, he withdrew his resignation and was re-appointed as non-executive and non-independent chairman until his subsequent resignation on 23 February 2023.*

2 *Dr Daniel Yeoh Ghee Chong was appointed as an Independent and Non-Executive Director of the Company on 1 May 2018 and resigned on 20 March 2023.*

3 *Mr Anthony Loh Sin Hock was appointed as an Executive Director of the Company on 11 November 2022 and resigned on 15 January 2024. He also held the position of Acting Chief Executive Officer of the Company from 31 December 2021 to 15 January 2024. He was employed as the Chief Financial Officer ("CFO") from 1 December 2021 to 9 April 2024.*

4 *Dato' Sri Mohd Sopiyan B Mohd Rashdi was appointed as an Independent and Non-Executive Director on 1 May 2018 and resigned on 15 January 2024.*

5 *Dato' Ahmad Rasidi B Hazizi was appointed as an Independent and Non-Executive Director of the Company on 30 November 2021 and resigned on 15 May 2023.*

6 *Dr Kriengsak Chareonwongsak was appointed as an Independent and Non-Executive Director of the Company on 12 August 2011 and resigned on 8 January 2024. He was considered independent up to 1 January 2022. He was redesignated as a Non-Independent and Non-Executive Chairman from 23 February 2023 and resigned on 8 January 2024.*

7 *Mr Charlie Jangvijitkul was appointed as an Independent and Non-Executive Director of the Company on 15 May 2023 and resigned on 15 January 2024. Mr Charlie Jangvijitkul was appointed as Chairman of the Nominating Committee and Remuneration Committee on 15 May 2023, a position he held until he resigned from the Board on 15 January 2024.*

8 *Mr Theerachai Leenabanchong was appointed as a Non-Independent and Non-Executive Director of the Company on 23 February 2023 and resigned on 15 January 2024.*

CORPORATE GOVERNANCE REPORT

Directors	Board Membership	Committee Membership		
		Audit	Remuneration	Nominating
For the period from 16 January 2024 to the date of this Report				
Mr Chow Wai San	Independent Non-Executive Chairman	Chairman	Member	Member
Mr Ng Yew Nam	Executive Director & CEO	–	–	–
Mr Soh Pock Kheng	Executive Director & COO	–	–	–
Mr Yap Alvin Tsok Sein	Independent Non-Executive Director	Member	Member	Chairman
Mr Raymond Lam Kuo Wei	Independent Non-Executive Director	Member	Chairman	Member

The size and composition of the Board are reviewed from time to time by the NC which strives to ensure that the size of the Board is conducive to effective decision-making and that the Board has an appropriate balance of Independent Directors.

As a group, the Directors bring with them a broad range of industry knowledge, expertise and experiences in areas such as accounting, law, business and management. The diversity of the Directors' experiences allows for the useful exchange of ideas and views and for effective decision-making. Key information regarding the Directors is set out in "Board of Directors and Key Management" and "Appendix 1: Disclosure of Information on Directors Seeking Re-Election" of this Annual Report.

Taking into account the scope and nature of the current operations of the Group, the Board considers that the current board size of 5 Directors is appropriate to facilitate decision-making.

Board Diversity

In accordance with Listing Rule 710A(1), the Board has adopted a Board Diversity Policy. The Board recognises that a diverse Board will enhance the decision-making process by utilising a variety of skills, industry and business experiences, gender, age and other distinguishing qualities of the members of the Board.

The Board, supported by the NC, reviews the Board's diversity. The Board comprises members across diverse backgrounds, with professional skills and experiences in a wide range of fields including legal, finance, investment and corporate management. As such, the Board is of the view that there is diversity in its composition.

CORPORATE GOVERNANCE REPORT

The final decision on selection of Directors will be based on merit against the objective criteria set and after giving due regard for the benefits of diversity on the Board. The NC will review the setting of targets for various aspects of diversity but the fundamental principle is that the candidate must be of right fit and meet the relevant needs and vision of the Company. Diversity will be considered in determining the optimum composition of the Board as a whole.

The Board was reconstituted on 16 January 2024. Given the size and scope of the current operations of the Group, the Board considers that the current board size of 5 Directors is appropriate to facilitate decision-making. No diversity targets had been set as at the date of this Report. As and when there is a need for Board renewal, the Board will abide by the Board Diversity Policy in its search of the new Director candidate.

Provision 2.5

Meeting of Independent Directors without Management

When required, the Independent Directors may meet without the presence of the Executive Directors and Management. Since their appointment to the Board, the Independent Directors had discussions and informal meetings without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes and the Group's operational processes.

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.***

Provision 3.1

Chairman and Chief Executive Officer

In FY2022, the positions of Chairman and CEO were separate. Following the retrenchment of Dato' Michael Loh Soon Gnee as CEO of the Company with effect from 31 December 2021, Mr Anthony Loh Sin Hock, who was also the CFO of the Company, was appointed as Acting CEO of the Company. Dr Kriengsak Chareonwongsak was appointed as Non-Executive Chairman following Dato' Michael Loh Soon Gnee's resignation as Non-Executive and Non-Independent Chairman on 23 February 2023.

As at the date of this Report, the positions of Chairman and CEO are separate and the Company has a clear separation of the roles and responsibilities of the Chairman and the CEO to ensure an appropriate balance of power and authority, accountability and decision-making.

CORPORATE GOVERNANCE REPORT

Provision 3.2

Role of Chairman

The Independent and Non-Executive Chairman, Mr Chow Wai San, is responsible for the following:

1. Leading the Board to ensure its effectiveness on all aspects of its role;

2. Setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;

3. Promoting a culture of openness and encouraging Board members to engage Management in constructive debate on various matters including strategic issues and business plans;

4. Encouraging constructive relations within the Board and between the Board and Management;

5. Facilitating the effective contribution of all Directors; and

6. Ensuring effective communication with shareholders.

The Chairman is independent and has no familial or other close ties with the CEO.

Role of Group CEO

As the Executive Director and CEO, Mr Ng Yew Nam is responsible for the following:

1. Overseeing the day-to-day management of the affairs of the Group in accordance with the business plans, approved budgets, policies, practices, procedures and values adopted by the Board;

2. Communicating with the Board on a regular basis to review key developments, issues, opportunities and concerns;

3. Implementing the strategies and policies approved by the Board; and

4. Providing timely updates, reports and information on the Group's business operations to the Board.

All major proposals by the CEO are discussed and reviewed by the Board and Board Committees, and recommended to the Board for its approval.

CORPORATE GOVERNANCE REPORT

Provision 3.3

Lead Independent Director

In FY2022, the Company's Lead Independent Director was Dr Daniel Yeoh Ghee Chong. In FY2023, the Company's Lead Independent Director was Dato' Sri Mohd Sopiyan B Mohd Rashdi until his resignation on 15 January 2024.

The Board currently does not have a Lead Independent Director as the Chairman is independent.

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.***

Provisions 4.1 and 4.2

Please refer to the table on Page 22 and 23 for the composition of the Company's NC in FY2022 and FY2023.

The NC, which was reconstituted on 16 January 2024, comprises the following three Directors, all of whom are Independent Non-Executive Directors.

Mr Yap Alvin Tsok Sein – Chairman
Mr Chow Wai San – Member
Mr Raymond Lam Kuo Wei – Member

The composition of the NC is in accordance with the Code, which requires the NC to comprise at least three Directors, the majority of whom, including the NC Chairman, are independent.

Terms of Reference of the NC

The NC's key roles and responsibilities, which are described in its terms of reference, include the following:

1. review Board succession plans for the Directors, CEO and KMP of the Company;

2. development of a process and criteria for evaluation of the performance of the Board, the Board Committees and Directors;

3. review of training and professional development programs for the Board;

4. review the appointment and re-appointment of Directors;

CORPORATE GOVERNANCE REPORT

Terms of Reference of the NC (Continued)

The NC's key roles and responsibilities, which are described in its terms of reference, include the following (Continued):

5. evaluate and determine the independence of the Independent Directors; and

6. evaluate whether a Director, with multiple board representations, is able to and has been adequately carrying out his duties as Director of the Company.

No Director, including the members of the NC, is involved in discussions concerning his own re-appointment or independence. The NC's recommendations are submitted to the Board for endorsement.

Provisions 4.3 and 4.4

Procedure for Selection and Appointment of New Directors

The selection and appointment of new Directors is based primarily on merit, with due and conscious consideration for the benefits of diversity. The NC, in consultation with Management and the Board, considers various aspects of diversity to address gaps and to maintain an appropriate range and balance of skills, experience, independence and knowledge of Directors, diversity representation on the Board and other relevant factors against the current and future needs of the Board.

Prospective Board candidates are sourced through recommendations from Board members, business associates, advisors, professional bodies and other industry players. These candidates are then reviewed by the NC.

The criteria for assessing the suitability of any candidate are determined by the NC. The NC, in evaluating the suitability of the candidate, will take into account his/her qualifications, business and related experience and ability to contribute effectively to the Board. The NC will also determine if the candidate would be able to commit time to his/her appointment having regard to his/her other Board appointments and principal commitments, and his/her independence. Recommendations of the NC are then put to the Board for consideration.

The Company may, if required, appoint professional search firms and recruitment consultants to assist in the selection and evaluation process if the appointment involves specific skill sets or industry specialisation.

Retirement and Re-election of Directors

The Company's Constitution requires all Directors to submit themselves for re-nomination and re-election at least once every three years; and at least one-third of the Directors for the time being to retire from office by rotation. New Directors appointed during the year are subject to retirement and re-election at the following annual general meeting ("**AGM**") of the Company.

In its deliberation on the nomination of retiring Directors for re-election, the NC takes into consideration the Directors' contribution and performance during the year. No Director is involved in the deliberation and recommendation in respect of his own nomination for re-election.

CORPORATE GOVERNANCE REPORT

At the forthcoming AGM, all the Directors are required to retire pursuant to Regulation 88 of the Company's Constitution. As requested by certain substantial shareholders of the Company, Mr Chow Wai San will not be seeking re-election at the forthcoming AGM. Accordingly Mr Chow Wai San will retire as a director of the Company at the conclusion of the forthcoming AGM. All the other Directors – Mr Ng Yew Nam, Mr Soh Pock Kheng, Mr Yap Alvin Tsok Sein and Mr Raymond Lam Kuo Wei, will be seeking re-election at the Company's forthcoming AGM. Further details on changes to the Board and Board composition after the forthcoming AGM will be made by the Company in due course.

Pursuant to the Companies Act, the Company is required to have at least one Singapore resident Director. In the event none of the Directors are re-elected at the forthcoming AGM, one Director shall have his retirement delayed until a new board is elected to fulfil the requirements of the Companies Act. The Companies' Act and the Company's Constitution does not prescribe a method to apply to choose whose retirement is delayed until a new Board is elected. In the circumstances, to ensure continuity of the Group's operation, Mr Ng Yew Nam shall have his retirement delayed until a new board is elected. To ensure continuity of the Group's operations, Mr Ng Yew Nam and Mr Soh Pock Kheng shall remain as CEO and COO respectively regardless of whether they are re-elected as Directors of the Company at the forthcoming AGM.

Pursuant to Listing Rule 720(6), information relating to the Directors seeking re-election is disclosed in the section "Appendix 1: Disclosure of Information on Director Seeking Re-Election" of this Annual Report.

Alternate Directors

As far as Board is aware, no alternate director was appointed to the Board in FY2022 and FY2023.

Consistent with the principle that each Director is expected to be able to, and to adequately, carry out his duties as a Director, the Board does not encourage the appointment of alternate directors.

As at the date of this Report, no alternate director was appointed to the Board.

NC's Determination of Director Independence

The NC is charged with determining the independence of the Directors as well as the relationships or circumstances which would deem a Director not to be independent.

As noted under the section on Principle 2 under "Board Independence", the NC assesses annually whether a Director is independent in accordance with the guidance in the Code and the Listing Rules. To facilitate this process, Directors are required to disclose, among other things, their relationships with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement in the best interests of the Company.

An Independent Director shall notify the NC immediately, if as a result of a change in circumstances, he no longer meets the criteria for independence. The NC shall review the change in circumstances and make its recommendations to the Board.

CORPORATE GOVERNANCE REPORT

Provision 4.5

Board Representations

In FY2022 and FY2023, the former NC had adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards. The internal guideline provided that, as a general rule, each Director should hold no more than 10 listed company board representations. The guideline included the following:

- directors must consult the Chairman of the Board and the NC Chairman prior to accepting any new appointments as a director and other principal commitments; and

- in support of their candidature for directorship or re-appointment, directors are to provide the NC with details of the board appointment and other principal commitments and an indication of the time involved.

As at the date of this Report, the NC had adopted new internal guidelines that each Director should hold no more than 5 listed company board representations. Where a Director has multiple board representations, the NC will determine if the Director has been able to devote sufficient time and attention to the Company's affairs and if he has been adequately carrying out his duties as a Director. Such assessment is performed on an annual basis or from time to time when the need arises.

BOARD PERFORMANCE

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

Provisions 5.1 and 5.2

The NC shall adopt an annual performance evaluation exercise for (a) the Board as a whole; (b) each of the Board Committees; and (c) each of the Directors. The aforesaid performance evaluations shall be carried out with questionnaires and the results shall be collated and anonymised. The findings will then be analysed and discussed by the NC and reported to the Board.

The aforesaid annual performance evaluations exercises will provide a platform for the Board members to exchange feedback on the strengths and shortcomings of the Board, Board Committees and each Director, with a view to strengthening the effectiveness of the Board. Areas where the Board's performance and effectiveness could be enhanced and recommendations for improvement will be discussed by the Board and, where appropriate, implemented.

As the Board and Board Committees were reconstituted on 16 January 2024, the NC has deferred the conduct of the aforesaid performance evaluations for FY2024.

The Board and NC are not aware of any performance evaluations conducted in respect of FY2022 and FY2023 by the former NC and as the Board and Board Committees were reconstituted on 16 January 2024, the NC is not in a position to assess the performance of the previous Board and Board Committees.

CORPORATE GOVERNANCE REPORT

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.***

Provisions 6.1 to 6.3

Please refer to the table on Page 22 and 23 for the composition of the Company's RC in FY2022 and FY2023.

The RC, which was reconstituted on 16 January 2024, comprises the following three Directors, all of whom are Independent Non-Executive Directors:

Mr Raymond Lam Kuo Wei – Chairman
Mr Yap Alvin Tsok Sein – Member
Mr Chow Wai San – Member

The composition of the RC is in accordance with the Code, which requires the RC to be made up entirely of Non-Executive Directors.

Terms of Reference of the RC

The terms of reference of the RC include the review and recommendation of the following matters by the RC to the Board:

- review and recommend to the Board for endorsement, a general framework of remuneration for the Board and KMP. The framework covers all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, the grant of shares and share options and benefits in kind;
- review and recommend to the Board, the specific remuneration packages for each Director;
- review the level and mix of remuneration and benefits, policies and practices of the Company, including any long-term incentive schemes. The performance of the Company and that of individual employees would be considered by the RC in undertaking such reviews;
- implement and administer the Company's share option plan, if any; and
- review the Group's obligations arising in the event of termination of the Executive Directors' and KMP's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

CORPORATE GOVERNANCE REPORT

No Director, including the members of the RC, is involved in discussions concerning his own remuneration. The RC's recommendations are submitted to the Board for endorsement.

Remuneration Framework

Broadly, the remuneration policy and framework for fixing Directors' fees, Executive Directors and KMP remuneration adopted by the Company are designed with a view to paying competitive remuneration to attract, retain and motivate the Directors to provide good stewardship of the Company and the KMP to successfully manage the Company for the long-term.

The Non-Executive Directors do not have service contracts or consultancy arrangements with the Company. They are paid Directors' fees based on a structured fee framework reflecting the responsibilities and time commitment of each Director. The fee framework comprises a base fee, and additional fees for holding appointment as Chairman of the Board or Chairman/member of Board Committees. The annual quantum of Directors' fees to be paid is also reviewed by the RC and the Board before submission to shareholders for approval at the Company's AGM.

The RC also reviews the remuneration packages of the Executive Directors and KMP and submits its recommendations to the Board for endorsement. The RC will look at the total remuneration provided which comprises a fixed salary, variable bonus and/or other benefits. The variable bonus component is linked to the performance of the Group and the achievement of specific key performance indicators set for the individual. The RC ensures that there is a strong correlation between bonuses payable, and the achievement and performance of the Group and individual staff.

Provision 6.4

RC Access to Expert Professional Advice

The RC may, in reviewing the remuneration of Directors and KMP, seek advice from external professional consultants as and when it deems necessary. The expenses incurred from such advice is borne by the Company.

In FY2022 and FY2023, the former RC did not appoint any remuneration consultants.

In FY2024, the RC appointed remuneration consultants, Willis Towers Watson Consulting (Singapore) Pte. Ltd. ("**WTW**"), to undertake a compensation benchmarking exercise as the Board was newly appointed and the Company's existing remuneration framework did not provide sufficient details or rationale for how Directors' fees/remuneration is assessed and derived. The compensation benchmarking exercise by the remuneration consultants provided the RC and the Board with a sound basis for the recommendation of remuneration that is fair and reasonable.

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.***

Provisions 7.1 to 7.3

The Company's remuneration framework is designed to encourage behaviours that contribute to the Group's long-term success while keeping remuneration competitive to attract, to retain and to motivate employees. Remuneration is commensurate with the performance of the Company, an employee's business unit or function, individual performance and contributions, competencies and alignment of behaviour to Company values. The remuneration package consists of fixed pay, variable bonus and/or benefits.

Performance-based Compensation

In reviewing the remuneration packages of individual Directors, the RC ensures that the remuneration of the Executive Directors is commensurate with their performance and that of the Company. The RC also takes into account their contributions as well as the financial performance conditions, which include both quantitative and qualitative targets to be achieved during the year.

The remuneration packages of the Executive Directors comprise primarily a mix of a fixed component, a variable component and benefits to align Management remuneration with the interests of shareholders and other stakeholders, and to link rewards to corporate and individual performance so as to promote the long-term sustainability Group.

The Executive Directors do not receive Directors' fees. The remuneration packages of Mr Ng Yew Nam, Executive Director and CEO of the Company, and Mr Soh Pock Kheng, Executive Director and COO of the Company, are reviewed and recommended to the Board by the RC and endorsed by the Board.

Remuneration of Non-Executive Directors

The RC reviews the Directors' fees paid to Non-Executive Directors, which is based on a structured fee framework pursuant to a compensation benchmarking exercise undertaken by remuneration consultants in FY2024, to ensure that it is appropriate to the level of contribution and responsibilities and takes into consideration the challenging circumstances of the Company.

Long-term Incentive Scheme

When appropriate, the RC will look into implementing appropriate long-term incentive plans to encourage alignment of Management's interests with that of shareholders.

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.***

Provision 8.1

Remuneration of Directors and KMP

At the Company's adjourned AGM for FY2021 held on 15 May 2024, the ordinary resolution to approve an amount of S$232,962 to be paid as Directors fees for FY2021 to the former Directors of the Company, namely, Dato' Michael Loh Soon Gnee, Mr Timothy Lim Boon Liat, Dr Kriengsak Chareonwongsak, Mr Mandie Chong Man Sui, Dr Daniel Yeoh Ghee Chong, Dato' Sri Mohd Sopiyan B Mohd Rashdi and Dato' Ahmad Rasidi B Hazizi, was tabled for shareholders' approval and was not carried.

In FY2023, the former Remuneration Committee had reviewed and confirmed and the former Board of Directors at that time has approved and recommended the payment of Directors' fee amounting to S$223,295 for FY2022 ("**FY2022 Directors' Fees**"), which was intended to be tabled at the Company's AGM for FY2022. The FY2022 Directors' Fees will be tabled at the Company's forthcoming AGM for shareholders' approval. The RC and Board do not have sufficient details or the rationale for how the FY2022 Directors' Fees were assessed and derived and accordingly, cannot make any recommendations for the approval of the FY2022 Directors' Fees. If approved by shareholders at the forthcoming AGM, the FY2022 Directors' Fees will be payable to Dato' Michael Loh Soon Gnee, Dr Kriengsak Chareonwongsak, Mr Anthony Loh Sin Hock, Dr Daniel Yeoh Ghee Chong, Dato' Sri Mohd Sopiyan B Mohd Rashdi and Dato' Ahmad Rasidi B Hazizi.

Directors	Remuneration (S$)	Directors' Fees (%)	Fixed Salary (%)	Bonus (%)	Share-Based Compensation (%)	Benefits & Allowance (%)	Total (%)
For FY2022[1]							
Mr Anthony Loh Sin Hock	238,595	1%	90%	8%	–	1%	100%
Dato' Michael Loh Soon Gnee	60,000	100%	–	–	–	–	100%
Dr Daniel Yeoh Ghee Chong	41,000	100%	–	–	–	–	100%
Dato' Sri Mohd Sopiyan B Mohd Rashdi	40,000	100%	–	–	–	–	100%
Dato' Ahmad Rasidi B Hazizi	40,000	100%	–	–	–	–	100%
Dr Kriengsak Chareonwongsak	39,500	100%	–	–	–	–	100%

1 *The Directors' fees for FY2022 payable to the former Directors in office in FY2022 is subject to shareholders' approval at the Company's forthcoming AGM.*

CORPORATE GOVERNANCE REPORT

The directors' fees payable for FY2023 will be dealt with in the annual general meeting for FY2023 as the current RC and Board do not have sufficient details on how FY2023 Directors' Fees would be assessed at the moment.

For FY2024, based on the recommendations in **WTW**'s compensation benchmarking report, the RC has recommended to the Board an amount of S$252,000 as Directors' fees for FY2024, to be paid quarterly in arrears. The Board concurred with the RC that the proposed Directors' fees for FY2024 is appropriate, taking into consideration the compensation benchmarking performed by **WTW**, higher litigation and reputational risks, additional work performed for the resolution of the Company's issues for FY2022, FY2023 and FY2024 in a single financial year, and the responsibilities and obligations of the Directors in navigating the Company in its current challenging circumstances. This will be tabled at the Company's forthcoming AGM for shareholders' approval and if approved, will be payable to Mr Chow Wai San (on a pro-rata basis), Mr Yap Alvin Tsok Sein and Mr Raymond Lam Kuo Wei.

Directors	Remuneration (S$)	Directors' Fees[1] (%)	Fixed Salary (%)	Bonus (%)	Share-Based Compensation (%)	Benefits & Allowance (%)	Total (%)
For FY2024							
Mr Anthony Loh Sin Hock	70,450[3]	–	99%	–	–	1%	100%
Mr Ng Yew Nam	289,000	–	93%	To be determined at end of FY2024[2]	–	7%	100%
Mr Soh Pock Kheng	289,000	–	93%	To be determined at end of FY2024[2]	–	7%	100%
Mr Chow Wai San	109,500	100%	–	–	–	–	100%
Mr Yap Alvin Tsok Sein	71,250	100%	–	–	–	–	100%
Mr Raymond Lam Kuo Wei	71,250	100%	–	–	–	–	100%

1 *The Directors' fees for FY2024 payable to the current Independent Directors is subject to shareholders' approval at the Company's forthcoming AGM. The remuneration for Mr Ng Yew Nam and Mr Soh Pock Kheng and the Directors' fees are stated on a full year basis.*

2 *Any bonuses payable to the Executive Directors of the Company at the end of FY2024 will be subject to the achievement of specific key performance indicators as set and approved by the RC and the Board, as part of the Executive Directors' service agreements with the Company.*

3 *The remuneration for Mr Anthony Loh Sin Hock is in respect of his role as Acting CEO from 1 January 2024 to 15 January 2024 and CFO from 1 January 2024 to 15 April 2024.*

CORPORATE GOVERNANCE REPORT

The breakdown of remuneration paid (in remuneration bands) to KMP (who are not Directors or the CEO) is as follows:

Name of Key Management Personnel	Fixed Salary	Variable Bonus	Allowance	Others	Total
For FY2022					
Between S$250,000 to S$500,000					
Mr Larry Lim[1]	68%	26%	2%	4%	100%
Mr Ong Yu Huat	64%	25%	5%	6%	100%
Below S$250,000					
Mr Gary Smith	90%	–	6%	4%	100%
Mr Seah Chong Hoe[2]	99%	–	–	1%	100%
For FY2023					
Between S$250,000 to S$500,000					
Mr Larry Lim[1]	82%	10%	3%	5%	100%
Mr Ong Yu Huat	76%	10%	13%	1%	100%
Below S$250,000					
Mr Gary Smith	88%	3%	6%	3%	100%
Mr Seah Chong Hoe[2]	97%	–	–	3%	100%
For FY2024					
Below S$250,000					
Mr Tan Sze Leng[3]	100%	–	–	–	100%
Mr Larry Lim[1]	98%	–	–	2%	100%
Mr Ong Yu Huat	93%	–	–	7%	100%
Mr Gary Smith	89%	1%	6%	4%	100%

1 *Mr Larry Lim, President of Telford Group, retired on 30 June 2024.*

2 *Mr Seah Chong Hoe is the Executive Director and CEO of the Company's former subsidiary, Advanced Systems Automation Limited ("**ASA**"). ASA ceased to be a subsidiary and became an associate of the Company on 14 June 2017.*

3 *Mr Tan Sze Leng was appointed as the Company's CFO on 6 May 2024.*

CORPORATE GOVERNANCE REPORT

The aggregate remuneration paid to KMP in FY2022 and FY2023 was S$1,607,000 and S$1,493,000 respectively.

The aggregate remuneration paid to KMP for the period from 1 January 2024 to the date of this Report is S$430,700.

There were no termination, retirement or post-employment benefits provided for in the employment contracts with the Directors, CEO or KMP.

There were no employees who are immediate family members of a Director, the CEO or a substantial shareholder, and whose remuneration exceeded S$100,000 in FY2022, FY2023 and up to the date of this Report.

Mr Kho Cheow Wah, who was appointed as Director of Corporate Administration of the Company in August 2024, is the brother-in-law of the Company's Executive Director and COO, Mr Soh Pock Kheng.

Provision 8.2

Employees who are Substantial Shareholders, Immediate Family Members of a Director or the CEO or a Substantial Shareholder

As at the date of this Report, save for Mr Ng Yew Nam and Mr Soh Pock Kheng, who are substantial shareholders of the Company, there are no employees who are substantial shareholders of the Company or immediate family members of a Director, the CEO or a substantial shareholder, and whose remuneration exceeds S$100,000.

Provision 8.3

Employee Share Option Scheme

Shareholders' approval was previously obtained for the implementation of the employee share option scheme in 2001 and the employee share option scheme had expired on 22 May 2011. There are no outstanding share options granted under the expired employee share option scheme.

The Company currently does not have any employee share option scheme in place.

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.***

Provision 9.1

Implementation and Monitoring of Risk Management and Internal Control Systems

The Board and the AC are responsible for the governance of risk by ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets. They also determine the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives.

Management is responsible for designing, implementing and monitoring the risk management and internal control systems of the Group. The Board is assisted by the AC, which conducts reviews of the adequacy and effectiveness of the Group's internal controls and risk management systems with the assistance of the internal auditors of the Group. The reviews consider the Group's business and operational environment in order to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks.

The internal control system provides reasonable assurance against material financial misstatements or loss and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices and the identification and management of business risks.

Risk Management Policies and Processes

In FY2022, the Company engaged KPMG Services Pte Ltd as Internal Auditor to perform review on sustainability process.

As at the date of this Report, the AC has appointed Baker Tilly TFW LLP as the Company's internal auditors.

The Company's internal auditors review material internal controls as part of the Internal Audit Plan to provide independent assurance to the AC and the Board on the adequacy, effectiveness and integrity of the Group's internal controls and risk management systems.

The Company's internal auditors provide their findings to the AC after conducting internal audits in accordance with the Internal Audit Plan. If any non-compliance or internal control weaknesses are noted during the audit, the corresponding recommendations and Management's responses are reported to the AC.

CORPORATE GOVERNANCE REPORT

The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with relevant legislation, regulations and best practices, and the identification and containment of business risks. The effectiveness of the risk management and internal control systems and procedures is to be monitored and reviewed at least annually by the AC and the Board.

The Board also recognises that an effective internal control system will not preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. The Board will continue its risk assessment, which is an on-going process, with a view to improve the Group's internal control system.

Provision 9.2

Adequacy and Effectiveness of Risk Management and Internal Control Systems

The Board and the AC had reviewed, with the assistance of the internal auditors and external auditors, the adequacy and effectiveness of the Group's current internal controls, including financial, operational, compliance and information technology controls, and risk management systems.

None of the current Directors or the current AC were involved in any of the business, management and financial affairs of the Company and the Group in the course of FY2022 and FY2023 as well as prior to their appointments and continues to be in the process of reviewing the corporate and business dealings and transactions of the Group under the former Board. There may be a possibility that findings from such review might not be consistent with the contents of this Report.

For FY2022, the Board has received written assurances from the current Executive Director and CEO and the current CFO that, to the best of their knowledge and belief:

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

(b) the Group's current risk management and internal control systems to address the key financial, operational, compliance and information technology risks affecting the operations are adequate and effective to meet the needs of the Group in its current business environment.

Management will also continue to review and strengthen the Group's control environment and devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

CORPORATE GOVERNANCE REPORT

Based on the internal controls established following the reconstitution of the Board on 16 January 2024, work performed by the current internal and external auditors, reviews performed by Management and the various Board Committees and the written assurances, the Board, with the concurrence of the AC, is of the opinion that based on the work done from 16 January 2024 to date and subject to the ongoing review of the corporate and business dealings and transactions of the Group under the former Board, the Group's current internal controls and risk management systems, to the best of their knowledge and belief, were adequate and effective to address financial, operational and compliance risks, including information technology risks, which the Company considers relevant and material to its operations.

AUDIT COMMITTEE

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

Provisions 10.1 to 10.3

Please refer to the table on Page 22 and 23 for the composition of the Company's AC in FY2022 and FY2023.

The AC comprises the following three Directors, all of whom are Independent Directors:

Mr Chow Wai San – Chairman
Mr Yap Alvin Tsok Sein – Member
Mr Raymond Lam Kuo Wei – Member

The Board is of the view that the AC members, having accounting and related financial management expertise and experience, are appropriately qualified to discharge their responsibilities. Majority of the members of the AC have years of experience in accounting or related financial management expertise to discharge their responsibilities.

The external auditors provide regular updates and periodic briefings to the AC on changes to accounting standards and other regulatory updates to enable the AC to keep abreast of such changes and their corresponding impact on the financial statements, if any.

The AC does not have any member who is a former partner or director of the Company's existing audit firm.

Terms of Reference of the AC

The duties of the AC as set out in its terms of reference include:

1. Reviewing the financial reporting issues and judgements so as to ensure the integrity of financial statements, and of announcements on the Company's financial performance and recommend changes;

2. Overseeing and reviewing the adequacy and effectiveness of the Company's risk management function;

3. Overseeing Management in establishing the risk management framework of the Company;

CORPORATE GOVERNANCE REPORT

4. Reviewing and reporting to the Board at least annually on the adequacy and effectiveness of the Company's risk management and internal controls;

5. Determining the Group's levels of risk tolerance and risk policies;

6. Reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit function;

7. Reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors;

8. Reviewing assurance from the CEO and CFO (or equivalent personnel) on the financial records and financial statements;

9. Recommending to the Board the appointment, re-appointment and removal of the external auditors, and its remuneration and terms of engagement;

10. Ensuring that the Company has programmes and policies in place to identify and prevent fraud;

11. Overseeing the establishment and operation of the whistleblowing process in the Company;

12. Reviewing all interested person transactions and related party transactions; and

13. Undertaking such other functions and duties as may be required by the Board under the Code, statute or the Mainboard Rules (where applicable).

Key Audit Matters

During the review of the financial statements for FY2022, the AC had discussed with Management on the accounting principles that were applied as well as to their judgement on items that might affect the integrity of the financial statements for FY2022. The AC also reviewed and discussed the findings presented and related work performed by the external auditors. The AC was satisfied that all material issues have been properly addressed and appropriately adopted and disclosed in the financial statements.

The Company's external auditors, Forvis Mazars LLP ("**Forvis Mazars**") (formerly known as Mazars LLP), had issued a disclaimer of opinion on the audited financial statements of the Group and the Company for FY2022. Consequently, no Key Audit Matters were presented in accordance with SSA 705 (Revised) Modifications to the Opinion in the Independent Auditor's Report.

CORPORATE GOVERNANCE REPORT

Provision 10.4

Authority of the AC

The AC has the authority to investigate any matter relating to the Company's accounting, auditing, internal controls and financial practices brought to its attention with full access to records, resources, and personnel to enable it to discharge its functions properly; and has full access to and cooperation of Management and the discretion to invite any Director or officer to attend its meetings. The external and internal auditors have unrestricted access to the AC.

External Auditors

Ernst & Young LLP ("**EY**") had retired as the Company's external auditors at the Company's AGM on 31 August 2023. EY had issued a disclaimer of opinion on the audited financial statements of the Company and the Group for FY2021.

At the Company's AGM held on 31 August 2023, the ordinary resolution to appoint RT LLP as external auditors in place of EY was not carried.

At the Company's extraordinary general meeting held on 15 May 2024, shareholders had approved the appointment of Forvis Mazars LLP ("**Forvis Mazars**") (formerly known as Mazars LLP) as the Company's external auditors.

The Company has complied with Listing Rule 712 in that Forvis Mazars is registered with the Accounting and Corporate Regulatory Authority. The AC is satisfied that the resources and experience of Forvis Mazars, the audit engagement partner and the team assigned to the audit of the Group are adequate to meet their audit obligations, given the size, nature, operations and complexity of the Group.

The Group has engaged Forvis Mazars to audit its Singapore-incorporated subsidiaries. The audit firms engaged for the Company's significant foreign-incorporated subsidiaries are disclosed on Page 125. Accordingly, the Company is in compliance with Rule 715 and 716 of the Listing Manual.

The AC assesses the external auditors based on the requirements of the Listing Rules, and reviews the nature and value of all non-audit services provided to the Group as well as other factors such as the performance and quality of its audit and the independence and objectivity of the external auditors, and recommends its appointment/re-appointment to the Board. For the audit of the FY2022 financial statements, there was no non-audit related work carried out by the external auditors, hence, there was no fee paid in this respect.

In accordance with Listing Rule 1207(6), the audit fees paid and/or payable to Forvis Mazars and its member firm(s) for their services for the FY2022 financial statements is S$218,180. The external auditors have also confirmed their independence in this respect. Based on the review, the AC is of the opinion that Forvis Mazars is independent for the purpose of the Group's statutory audit.

CORPORATE GOVERNANCE REPORT

The Company confirms that it is in compliance with Listing Rules 712, 715 and 716 in relation to the appointment of audit firms for the Group.

The AC and the Board have recommended the nomination of Forvis Mazars for re-appointment at the Company's forthcoming AGM.

Internal Auditors

In FY2022, the Company engaged KPMG Services Pte. Ltd. to perform a review on sustainability reporting process.

The AC approves the appointment, removal, evaluation and fees of the Group's outsourced internal audit function. As at the date of this Report, the AC has appointed Baker Tilly Consultancy (Singapore) Pte. Ltd. as the Company's internal auditors.

Baker Tilly is an independent member of Baker Tilly International, one of the world's 10 largest accounting and business advisory network. The internal audit engagement partner and the team assigned to the internal audit of the Group have relevant qualifications and experience in internal controls advisory, risk management services, compliance audit and sustainability reporting.

The internal auditors report directly to the AC on internal audit matters and to Management on administrative matters. The internal auditors plan their internal audit in consultation with, but independent of, the Management. The internal audit plan is submitted to the AC for approval prior to implementation. The internal auditors have unfettered access to the AC, the Company's documents, records, properties and personnel.

Resource and Standing of Internal Audit Function

The AC approves the Internal Audit Plan annually and reviews the adequacy and effectiveness of the Group internal audit function.

The AC ensures the adequacy of the internal audit function by examining the scope of the internal auditors' work, the quality of their reports, their qualifications and training, their relationship with the external auditors and their independence of the areas reviewed.

Baker Tilly is staffed with professionals with relevant qualifications and experience and executes its internal audit engagement in accordance with internal audit methodology which is aligned with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The AC is satisfied that the internal auditors meet the requisite standards, are effective, adequately resourced, are independent and have appropriate standing within the Group.

CORPORATE GOVERNANCE REPORT

Provision 10.5

Meeting with External Auditors and Internal Auditors

The AC meets with the external and internal auditors without the presence of Management, at least annually, to discuss any issues they may have (including suspected fraud or irregularity, or suspected infringement of any applicable law, rules or regulations, which has or is likely to have a material impact on the Group and the Company's operating results or financial position), and Management's response thereof.

For the audit of the financial statement for FY2022, the external auditors had, without the presence of Management, confirmed to the AC that they had access to and received full co-operation and assistance from Management and no restrictions were placed on the scope of their audit.

Whistle-blowing Policy

The AC is responsible for oversight and monitoring arrangements by which Group employees or external parties may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The Company has in place a whistle-blowing policy to ensure independent investigations of such matters and for appropriate follow up action. Such concerns include dishonesty, fraudulent acts, corruption, legal breaches and other serious improper conduct; unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to the Group's reputation.

The policy is aimed at encouraging the reporting of such matters in good faith, with the confidence that persons making such reports will be treated fairly. Every effort will be made to protect the identity of the employee who files the complaint or expresses his/her concerns, except in very limited circumstances, such as where disclosure of the person's identity is required by law or other regulatory body; or the identity of the person is material to the investigations.

The Company will not tolerate any reprisals, discrimination, harassment or victimisation of any person raising a genuine concern. All reported whistle-blowing incidents or concerns will be independently investigated under the directives of the AC, and remedial actions will be taken to address the whistle-blowing incidents.

As at the date of this Report, the Company's whistle-blowing email channel had been set up for the AC Chairman to be the recipient of any whistle-blowing reports.

The AC and the Board are not aware of any whistle-blowing incidents in FY2022 and FY2023.

From 16 January 2024 to the date of this Report, no whistle-blowing reports were received.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' 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.

Shareholder Rights

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all shareholders are treated fairly and equitably, and information is communicated to shareholders on a timely basis through annual reports, financial results and announcements of significant transactions that are released on SGXNet.

Shareholders are also able to access investor-related information on the Group from the Company's corporate website at www.astigp.com.

Provision 11.1

Shareholder Participation at General Meetings

The Company welcomes the views of shareholders on matters concerning the Company and encourages shareholders' participation at general meetings. All shareholders are entitled to attend the general meetings and are given ample opportunity and time to participate effectively and vote at the meetings. All notices of general meetings, along with the related information, is sent to every shareholder.

The Company will comply with its Constitution, the Companies Act and the Listing Rules in respect of the requisite notice periods for convening general meetings. In line with the Company's continuing sustainability efforts to protect the environment, the Company uses electronic communication for the transmission of its annual reports and other documents to shareholders. The annual report, notice of AGM and accompanying documents are released via SGXNet and are also made available on the Company's website at www.astigp.com.

Shareholders are informed of the rules, including voting procedures that govern the general meetings. The Company's Constitution allows a shareholder to appoint up to two proxies to attend and vote on behalf of the shareholder. A shareholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

CORPORATE GOVERNANCE REPORT

All resolutions at general meetings of the Company are voted by way of poll. An independent scrutineer, who is in attendance at every general meeting, validates the voting results, which are announced on SGXNet on the same day after the conclusion of the general meetings.

Provision 11.2

Separate Resolutions at General Meetings on Each Substantially Separate Issue

The Company does not practice bundling of resolutions at general meetings. Each proposal is tabled as a separate and distinct resolution and not bundled or made conditional to other resolutions. Relevant information relating to each resolution is provided in the notice of general meeting. In the event where the nature of the resolutions have to be "bundled", the Company will explain the reasons and material implications.

Provision 11.3

Attendance at General Meetings

All Directors, including the Chairman of the Board and the respective Chairmen of the AC, NC and RC, as well as the external auditors and the Company Secretary, are present at general meetings to address shareholders' queries.

Provision 11.4

Absentia Voting

If any shareholder is unable to attend a shareholders' meeting, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms which are sent together with the Annual Reports or Circulars (as the case may be). As the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email or fax.

Provision 11.5

Minutes of General Meetings

The Company Secretary prepares minutes of general meetings which include substantial and relevant comments or queries from shareholders, and responses from the Board and Management. The Company releases its minutes of general meetings via its corporate website and SGXNet within one month after the general meetings.

CORPORATE GOVERNANCE REPORT

Provision 11.6

Dividend Policy

The Company currently does not have a formal dividend policy. The amount and frequency of dividend payments would depend on, inter alia, the Group's financial performance and financial position, its expansion plans and working capital needs, and other factors as the Board may deem appropriate.

The Company declared tax-exempt one-tier interim dividend of S$0.0045 per ordinary share of the Company totalling approximately S$2,946,000 in the respect of the financial year ended 31 December 2022.The dividend amount was fully paid out to the shareholders on 5 May 2023.

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.

Provision 12.1

Shareholder Engagement

The Company recognises that effective communication leads to transparency and enhances accountability. Shareholders are invited to ask questions and seek a better understanding of the Group's business operations, performance, strategies and outlook at general meetings. The Company provides information to its shareholders via SGXNet announcements. The Company does not practise selective disclosure and ensures timely and adequate disclosure of price and/or trade sensitive and material information to shareholders of the Company via SGXNet.

Provisions 12.2 and 12.3

Investor Relations

The Company currently does not have an Investor Relations Policy in place. However, the Board's policy is that all shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Listing Rules and the Companies Act. There is no dedicated investor relations team in place as the Board is of the view that the current communication channels are sufficient and cost-effective.

CORPORATE GOVERNANCE REPORT

MANAGING STAKEHOLDER RELATIONS

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.

Provisions 13.1 and 13.2

Managing Stakeholder Relations

The Company has arrangements in place to engage with its material stakeholder groups and to manage its relationships with such groups, which forms parts of its sustainability practices. The Company's material stakeholders include its shareholders and investors, customers, contractors and suppliers, regulatory authorities, employees and workers, and local communities. The Company engages its key stakeholders through various formal and informal channels to ensure that the business interests of the Group are balanced against the needs and interests of its materials stakeholders.

The Company is committed to integrating its stakeholders' concerns in its business strategies and policies. Therefore, it continuously seeks to explore effective communication channels and strengthen its relationships with stakeholders.

Further information on how the Company engages its stakeholders and its approach to materials topics will be detailed in the Company's Sustainability Report.

Provision 13.3

Corporate Website

The Company maintains a corporate website at www.astigp.com, to communicate and engage with key stakeholders. The corporate website contains various information pertaining to the Group and the Company which serves as an important resource for investors and all key stakeholders. The website is updated from time to time.

CORPORATE GOVERNANCE REPORT

OTHER CORPORATE GOVERNANCE MATTERS

INTERESTED PERSON TRANSACTIONS ("IPTs")

As at the date of this Report, the Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are conducted at arms' length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. All IPTs are subject to review by the AC on a quarterly basis to ensure compliance with established procedures in accordance with Chapter 9 of the Listing Manual.

The Company did not obtain any IPT mandate from shareholders pursuant to Chapter 9 of the Listing Manual.

Based on available information and to the best of the knowledge and belief of the Board, the following were IPTs in FY2022:

Name of interested person	Nature of relationship	Aggregate value of all IPT during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Dragon Group International Limited ("DGI")	Dato Michael Loh Soon Gnee's (controlling shareholder of the Company) indirect interest in DGI held through the Company	*Expenses recharged:* S$46,300.00	Nil
Advanced Systems Automation Limited ("ASA")	Dato Michael Loh Soon Gnee's (controlling shareholder of the Company) interest in ASA	*Loan to ASA[1]:* S$1,648,539.00 *Corporate Support Services fees:* S$170,000.00 *Interest charged:* S$272,595.00	Nil

1 *Unpaid loan interest and amounts owed to ASTI is treated as a debt incurred by ASA and converted to a debt extended by ASTI.*

CORPORATE GOVERNANCE REPORT

The AC will continue to review and monitor any interested person transactions that may arise and ensures that the Company seeks appropriate approvals, makes appropriate announcements or disclosures on these transactions in accordance with Chapter 9 of the Listing Manual.

DEALINGS IN THE COMPANY'S SECURITIES

The Company has in place a policy prohibiting share dealings by the Company, Directors and employees of the Group during the period commencing one month before the announcement of the Company's half year and full year financial statements, and ending on the date of announcement of the relevant results. Directors and employees are also required to observe at all times the insider trading rules stipulated in the Securities and Futures Act, Cap. 289 and are discouraged from dealing in the Company's securities on short-term considerations.

The shares of the Company have been suspended from trading on the SGX-ST since 5 July 2022.

For the period from 16 January 2024 to the date of this Report, the Company had complied with Rule 1207(19) of the Listing Manual.

MATERIAL CONTRACTS

Except as disclosed in the financial statements, there were no material contracts (including loans) of the Company or its subsidiaries involving the interests of the directors or controlling shareholders which subsisted at the end of the financial year or have been entered into since the end of the previous financial year.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE- ELECTION

Pursuant to Rule 720(6) and Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the following additional information on Mr. Yap Alvin Tsok Sein, Mr. Raymond Lam Kuo Wei, Mr. Ng Yew Nam and Mr. Soh Pock Kheng, all of whom are seeking re-election as Directors at 2022 Annual General Meeting is set out below:

	Mr. Yap Alvin Tsok Sein	**Mr. Raymond Lam Kuo Wei**	**Mr. Ng Yew Nam**	**Mr. Soh Pock Kheng**
Date of Appointment	16 January 2024	16 January 2024	15 January 2024	15 January 2024
Date of Last Re-Appointment (if applicable)	Not applicable	Not applicable	Not applicable	Not applicable
Age	53	47	55	53
Country of Principal Residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on the re-appointment	Based on the recommendation of the Nominating Committee, the Board (he abstained from deliberating his own re-election) proposes to the Company's shareholders to approve the re-election of Mr. Yap Alvin Tsok Sein as Director of the Company.	Based on the recommendation of the Nominating Committee, the Board (he abstained from deliberating his own re-election) proposes to the Company's shareholders to approve the re-election of Mr. Raymond Lam Kuo Wei as Director of the Company.	Based on the recommendation of the Nominating Committee, the Board (he abstained from deliberating his own re-election) proposes to the Company's shareholders to approve the re-election of Mr. Ng Yew Nam as Director of the Company.	Based on the recommendation of the Nominating Committee, the Board (he abstained from deliberating his own re-election) proposes to the Company's shareholders to approve the re-election of Mr. Soh Pock Kheng as Director of the Company.
Whether the appointment is executive, and if so the area of responsibility	Non-Executive	Non-Executive	Executive	Executive

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE- ELECTION

	Mr. Yap Alvin Tsok Sein	Mr. Raymond Lam Kuo Wei	Mr. Ng Yew Nam	Mr. Soh Pock Kheng
Job Title	Independent Non-Executive Director • Chairman, Nominating Committee • Member, Audit Committee • Member, Remuneration Committee	Independent Non-Executive Director • Chairman, Remuneration Committee • Member, Audit Committee • Member, Nominating Committee	Executive Director and Chief Executive Officer	Executive Director and Chief Operating Officer
Professional Qualifications	• University of New South Wales (Australia)- Bachelor of Commerce, Majoring in Accounting (Merit) and Bachelor of Laws • Members of Chartered Accountants Australia and New Zealand • Barrister of the Supreme Court of New South Wales (non-practicing)	• Bachelor of Law (Hons), National University of Singapore • Advocate & Solicitor of Supreme Court of Singapore • Solicitor, England & Wales • Fellow, Chartered Secretaries Institute of Singapore • Notary Public & Commissioner for Oaths	• University Higher Diploma – Staffordshire University	• Diploma in Electronics Engineering Ngee Ann Polytechnic

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE- ELECTION

	Mr. Yap Alvin Tsok Sein	Mr. Raymond Lam Kuo Wei	Mr. Ng Yew Nam	Mr. Soh Pock Kheng
Working Experience and occupation(s) in the past 10 years	• Sep 2018 to present: Quan Advisors, Director • Jun 2018 to Aug 2018: Family Office, Consultant • Jun 2008 to Dec 2017: Syngenta Asia Pacific, roles held were APAC Head of M&A, ASEAN (Commercial) Finance Lead (Seeds Division), APAC(Commercial) Finance Lead (Lawn & Garden Division) and APAC Production & Supply Finance Lead (Seeds Division)	• Chief Operating Officer of Drew & Network Asia (DNA) • Head of Business Development, Drew & Napier LLC • Director, Drew & Napier LLC (Corporate Restructuring & Workouts Practice Group)	• 2005 to Jan 2024 Managing Director iTrue Technologies Pte. Ltd. • 2019 to present: Legal representative, 东莞市爱图检测科技有限公司	• 1997 to present Director, Vansonic (Singapore) Pte. Ltd. • 2019 to 2021: VP Business Development, ASTI Holdings Limited

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE- ELECTION

	Mr. Yap Alvin Tsok Sein	Mr. Raymond Lam Kuo Wei	Mr. Ng Yew Nam	Mr. Soh Pock Kheng
Shareholding interest in the listed issuer and its subsidiaries	No	No	• ASTI Holdings Limited Direct Interest 45,171,700 shares Deemed Interest 31,326,900 shares • Dragon Group International Limited Direct Interest 5,000,000 shares	• ASTI Holdings Limited Direct Interest 57,859,000 shares Deemed Interest 29,996,000 shares • Dragon Group International Limited Direct Interest 4,400,000 shares Deem Interest 709,000 shares
Any relationship (including immediate family relationships) with any existing director, existing executive director, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiary.	No	No	No	No
Conflict of Interest (including any competing business)	No	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the Company	Yes	Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE- ELECTION

	Mr. Yap Alvin Tsok Sein	Mr. Raymond Lam Kuo Wei	Mr. Ng Yew Nam	Mr. Soh Pock Kheng
Past (for the last 5 years)	None	Directorship: • APAC Bizinfo Pte. Ltd. • APC Wind Power Pte. Ltd. • Asia China Trading and Investment Pte. Ltd. • Atlas Programmed Marine (Singapore) Pte. Ltd. (struck off) • Blazenn Private Limited • Cinarra Systems Pte. Ltd. (dissolved MVL) • Datastax Singapore Pte. Ltd. • Drewcorp Services Pte. Ltd. • Elasticsearch Pte. Ltd. • Encompass Digital Media (Asia) Pte. Ltd. • Equities First Holdings Singapore Pte. Ltd. • Eze Castle Integration Singapore Pte. Ltd.	Directorship: iTrue Technologies Pte. Ltd.	Directorship: Dragon Group International Limited

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE- ELECTION

	Mr. Yap Alvin Tsok Sein	Mr. Raymond Lam Kuo Wei	Mr. Ng Yew Nam	Mr. Soh Pock Kheng
		• Finnegan (Singapore) Pte. Ltd. (Dissolved – MVL) • First Solar FE Holdings Pte. Ltd. • First Solar Vietnam Holdings Pte. Ltd. • Global Ocean Trading Limited (HK) • Golden Lake Investment Private Limited • Hawley & Hazel Chemical Company Singapore (Private) Limited • Java Energy Elpiji Pte. Ltd. • KOP Surface Products Singapore Pte. Ltd. • Lifeworks (Singapore) Pte. Ltd. (formerly known as Morneau Shepell Pte Ltd) • LogicMonitor Asia Pacific Pte. Ltd.		

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE- ELECTION

	Mr. Yap Alvin Tsok Sein	Mr. Raymond Lam Kuo Wei	Mr. Ng Yew Nam	Mr. Soh Pock Kheng
		• Maxmila Pte. Ltd. (struck off) • Megaport (Singapore) Pte. Ltd. • Metsovaara Pte. Ltd. (struck off) • M+W Energy Projects Pte. Ltd. (struck off) • New Relic Singapore Pte. Ltd. • NT-Ware Asia Pte. Ltd. • NVIDIA Singapore Development Pte. Ltd. • Onpoint Holdings Pte. Ltd. • Pan Electrics Pte. Ltd. • Pan Poly Engineering Pte. Ltd. • Pacific Transportation Services Pte. Ltd. (struck off) • Pinecrest Resources Pte. Ltd. (struck off) • Polus Tech Pte. Ltd.		

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE- ELECTION

	Mr. Yap Alvin Tsok Sein	Mr. Raymond Lam Kuo Wei	Mr. Ng Yew Nam	Mr. Soh Pock Kheng
		• Princeton Digital Group (Singapore) SG1 Pte. Ltd. • Project Junior Pte. Ltd. • Radio Frequency Systems (S) Pte. Ltd. • Ridge88 Technologies Pte. Ltd. (struck off) • Roger Vivier Singapore Pte. Ltd. • Schweitzer Engineering Laboratories Southeast Asia Pte. Ltd. • Sengenics International Pte. Ltd. (struck off) • Silanna Asia Pte. Ltd. • Silanna Semiconductor Singapore Pte. Ltd. • Spring Star Pte. Ltd. • Staroyal Ventures Pte. Ltd. (struck off) • STR Global Singapore Private Limited • Sunstar Singapore Kyosai-Kai Limited		

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE- ELECTION

	Mr. Yap Alvin Tsok Sein	Mr. Raymond Lam Kuo Wei	Mr. Ng Yew Nam	Mr. Soh Pock Kheng
		• Tod's Singapore Pte. Limited • Udacity Asia Pacific Holdings Pte. Ltd. • 24/7 Customer Pte. Ltd. (struck off) • 8 Cross Street PADREF Investments Ltd		
Present	Directorship: • ASTI Holdings Limited • Quan Advisors Pte. Ltd.	Directorship: • Abaco Pacific Co Ltd (BVI) • Apexindo International Pte. Ltd. • ASTI Holdings Limited • Barry's Bootcamp Singapore Pte. Ltd. • Burnaby Ventures Pte. Ltd. • Cambridge Circle Pte. Ltd. • CFYC Holdings Pte. Ltd. • Danesun Pte. Ltd. • FLG Holdco 2 Pte. Ltd. • FLG Holdco Singapore Pte. Ltd. • First Tristar Corp. Pte. Ltd. • Golden Cyber Pte. Ltd.	Directorship: • APA Capital Advisory Co. Ltd. • ASTI HK Limited • ASTI Holdings Limited • Dragon Equipment & Material Technology Limited • Dragon Ventures Limited • DTB Limited • EoPlex Limited • Reel Service Limited • Telford Service (Melaka) Sdn. Bhd. • Telford Service Sdn. Bhd.	Directorship: • ASTI HK Limited • ASTI Holdings Limited • BAK New Power (Singapore) Pte. Ltd. • Dragon Equipment & Material Technology Limited • Dragon Group International Limited • Dragon Ventures Limited • DTB Limited • EoPlex Limited • Microview Technologies Sdn. Bhd. • Spire Technologies Pte. Ltd.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE- ELECTION

	Mr. Yap Alvin Tsok Sein	Mr. Raymond Lam Kuo Wei	Mr. Ng Yew Nam	Mr. Soh Pock Kheng
		• Golden Logistic Pte. Ltd. (fka Cainiao Golden Pte. Ltd.) • Grid Singularity Pte. Ltd. • Harpswell Offshore Pte. Ltd. • Manitoba Corporation Pte. Ltd. • Marnoc Pte. Ltd. • Metropolitan Structures Pte. Ltd. • Mikimoto Jewellery (Singapore) Pte. Ltd. • Millbrook Pte. Ltd. • Moonsoonlabs Pte. Ltd. • Next Generation Holdings Pte. Limited • NG Properties Pte. Limited • Nippecraft Limited • North London Collegiate School (Singapore) Pte. Ltd. • Platinum Resources Pte. Ltd. • Premier Logistic Pte. Ltd. (fka Cainiao Primera Pte. Ltd.)	• Telford Service (Thailand) Co. Ltd. • 东莞市爱图检测科技有限公司 (legal representative)	• Telford Industries Pte Ltd • Telford Service Sdn. Bhd. • Vansonic (Singapore) Pte. Ltd. • VS Solution (Singapore) Pte. Ltd.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE- ELECTION

		Mr. Yap Alvin Tsok Sein	Mr. Raymond Lam Kuo Wei	Mr. Ng Yew Nam	Mr. Soh Pock Kheng
			• Quartis Limited (BVI) • RL Law LLC • Sapientia Prime Pte. Ltd. • Schwarzschild Ventures Pte. Ltd. • Sengenics Corporation Pte. Ltd. • Starbright Corporation Pte. Ltd. • URS Equipment Services Pte. Ltd. • XMH Holdings Ltd. • Zap Fitness Holdings Pte. Ltd.		
Information required pursuant to Listing Rule 704(7)					
a	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE- ELECTION

		Mr. Yap Alvin Tsok Sein	Mr. Raymond Lam Kuo Wei	Mr. Ng Yew Nam	Mr. Soh Pock Kheng
b	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
c	Whether there is any unsatisfied judgment against him?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE- ELECTION

		Mr. Yap Alvin Tsok Sein	Mr. Raymond Lam Kuo Wei	Mr. Ng Yew Nam	Mr. Soh Pock Kheng
d	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
e	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE- ELECTION

		Mr. Yap Alvin Tsok Sein	Mr. Raymond Lam Kuo Wei	Mr. Ng Yew Nam	Mr. Soh Pock Kheng
f	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
g	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE- ELECTION

		Mr. Yap Alvin Tsok Sein	Mr. Raymond Lam Kuo Wei	Mr. Ng Yew Nam	Mr. Soh Pock Kheng
h	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
i	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
j	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE- ELECTION

		Mr. Yap Alvin Tsok Sein	Mr. Raymond Lam Kuo Wei	Mr. Ng Yew Nam	Mr. Soh Pock Kheng
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?				

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE- ELECTION

		Mr. Yap Alvin Tsok Sein	Mr. Raymond Lam Kuo Wei	Mr. Ng Yew Nam	Mr. Soh Pock Kheng
k	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No
	Any prior experience as a director of an issuer listed on the Exchange?	No	Yes	No	Yes
	If yes, please provide details of prior experience.	Not applicable	• Independent Director of XMH Holdings Limited since Oct 2020 • Independent Director of Nippecraft Limited since Jul 2021	Not applicable	Mr. Soh Pock Kheng is a Non-Executive and Non-Independent Director of Dragon Group International Limited since 29 Jun 2022 to present
	If yes, please state if the director has attended or will be attending training on the roles and responsibilities of a listed issuer as prescribed.	Mr. Yap Alvin Tsok Sein has attended training on the Board of Directors Masterclass e-learning modules and the mandatory plenary session. He will subsequently be attending the AC, RC & NC sessions.	Attended	Mr. Ng Yew Nam has attended training on the Board of Directors Masterclass e-learning modules and the mandatory plenary session. He will subsequently be attending the AC, RC & NC sessions.	Not applicable

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The directors present their statement to the members together with the audited consolidated financial statements of ASTI Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2022 and the statement of financial position of the Company as at 31 December 2022.

The current Board of Directors as at the date of this report was reconstituted on 16 January 2024. Accordingly, none of the current directors were involved in any of the business and financial affairs of the Company and the Group in the course of the financial year ended 31 December 2022[*]. Further, as set out in its announcement dated 24 January 2024, the Company is in the process of reviewing the corporate and business dealings and transactions of the Group under the previous Board of Directors, and there may be a possibility that findings from such review might not be consistent with the contents of this report.

(*) Mr Soh Pock Kheng was an independent contractor pursuant to a service agreement dated 7 September 2022.

1. Opinion of directors

Subject to the above, in the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of the financial performance, changes in equity and cash flows of the Group for the year ended in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); 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:

Ng Yew Nam	(appointed on 15 January 2024)
Soh Pock Kheng	(appointed on 15 January 2024)
Yap Alvin Tsok Sein	(appointed on 16 January 2024)
Chow Wai San	(appointed on 16 January 2024)
Raymond Lam Kuo Wei	(appointed on 16 January 2024)

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 were, or one of whose objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interest in the share capital and debentures of the Company and related corporations (other than wholly-owned subsidiaries), as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as disclosed below:

Name of directors and respective company in which interest are held	Direct interest	
	At 1/1/2022	At 31/12/2022
ASTI Holdings Limited		
No. of ordinary shares		
Dato' Michael Loh Soon Gnee[1]	**130,209,600**	**130,209,600**

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

(1) Dato' Michael Loh Soon Gnee ceased to be a director with effect from 23 Feb 2023.

5. Share options

There were no share options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

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

6. Audit committee

Subject to the above, the audit committee ("AC") carried out its functions in accordance with section 201B (5) of the Act, 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's and the Company's management to the external and internal auditors;

- Reviewed the interim and annual financial statements and the independent auditors' report on the annual financial statements of the Group and the Company before their submission to the board of directors;

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. Audit committee (Continued)

- 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 auditors, 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 auditors;

- Reviewed the nature and extent of non-audit services provided by the external auditors;

- Recommended to the board of directors the external auditors to be nominated, approved the compensation of the external auditors, 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; and

- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

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

The AC has recommended the nomination of Forvis Mazars LLP (formerly known as Mazars LLP) for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7. Independent auditors

The auditors, Forvis Mazars LLP (formerly known as Mazars LLP), have expressed their willingness to accept re-appointment.

On behalf of the directors

Ng Yew Nam
Director

Soh Pock Kheng
Director

Singapore
11 September 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASTI HOLDINGS LIMITED

Report on the Audit of Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of ASTI Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 December 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Group and the statement of financial position of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

The financial statements of the Group and the Company for the financial year ended 31 December 2021 were audited by another firm of auditors who expressed a disclaimer of opinion on the matters 1 to 3 below which remain unresolved during the course of our audit of the financial statements for the financial year ended 31 December 2022.

1. <u>Impairment assessments – the Group's interests in and amount due from an associate, EoCell Limited ("EoCell")</u>

   As of 31 December 2021, the preceding firm of auditors, based on information available to them then, was unable to obtain a reasonable basis to conclude on the appropriate and reasonableness of the key estimates, inputs, and assumptions used by the then management in estimating the fair value less costs of disposal ("FVLCD") and expected credit loss ("ECL"). As a result, they were unable to obtain sufficient appropriate audit evidence to determine the appropriateness of the carrying value of the Group's investment in associate, Eocell and the amount due from Eocell of S$17,922,000 and S$Nil respectively, the corresponding Group's share of results of associate, impairment loss and ECL recognised for the year then ended, and whether any adjustments to those amounts and associated disclosures were necessary.

   Consequent to the current management's restatement of the financials as detailed in Note 42, the carrying value of the Group's investment in EoCell as of 31 December 2021 is S$Nil. The current management has identified indicators of impairment in respect of the Group's investment in EoCell as at 31 December 2021 and has assessed the recoverable amount to be S$Nil then. Their assessment remained the same on the recoverable amount of the investment as of 31 December 2022 and which was hence recorded as S$Nil. The Group also continued to record the amount due from Eocell as of 31 December 2022 as S$Nil.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASTI HOLDINGS LIMITED

Report on the Audit of Financial Statements (Continued)

Basis for Disclaimer of Opinion (Continued)

1. Impairment assessments – the Group's interests in and amount due from an associate, EoCell Limited ("EoCell") (Continued)

   During the course of our audit, we were unable to access the accounting records of EoCell and in the absence of alternative procedures and other information, we were unable to obtain sufficient appropriate audit evidence to conclude on the appropriateness and reasonableness of the key estimates, inputs and assumptions used by the current management in estimating the recoverable amount of the Group's investment in EoCell nor the ECL allowance on the amount due from EoCell as at 31 December 2022 and 2021. Consequently, we were also unable to ascertain the appropriateness of the carrying value of the Group's investment in EoCell and the amount due from EoCell as at 31 December 2022, the corresponding Group's share of results of associate, impairment losses and ECL recognised for the year then ended, and whether any adjustments to these amounts and associated disclosures were necessary. We are also unable to determine whether there would be any adjustments on the current financial year's financial statements as a result from the restatement.

2. Impairment assessments – the Company's interests in and amount due from a subsidiary Dragon Group International Limited ("DGI")

   The Company's cost of investment in and receivables from DGI, a subsidiary, are reported within Investments in subsidiaries and Amounts due from subsidiaries respectively, on the Company's statement of financial position. These are herein referred to as "Investment in DGI" and "Amount due from DGI", respectively.

   The preceding firm of auditors was unable to determine the appropriateness and reasonableness of the recoverable amount and carrying values of DGI's investments in Eocell and Amount due from DGI which were recorded as S$Nil respectively as at 31 December 2021.

   During the course of our audit, as we were unable to access the accounting records of EoCell and in the absence of alternative procedures and other information, and in view of the potential magnitude of EoCell's financial contribution to and impact on DGI, we were unable to obtain sufficient appropriate audit evidence on the appropriateness of the current management's estimation of the recoverable amounts and hence, the carrying values of the Company's Investment in DGI and Amount due from DGI as S$Nil as at 31 December 2022, and whether any adjustments to these amounts and associated disclosures were necessary. We are also unable to determine whether there would be any adjustments on the current financial year's financial statements as a result from potential opening balance adjustments.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASTI HOLDINGS LIMITED

Report on the Audit of Financial Statements (Continued)

Basis for Disclaimer of Opinion (Continued)

3. Others

   A key executive director may not have complied with relevant laws and regulations whilst fulfilling the employment arrangement with the Company during the certain years. Based on current management's evaluation and information made available to us, we have not been able to obtain sufficient appropriate audit evidence regarding the Group's and Company's compliance with the relevant laws and regulations to determine whether there could be material impact to the financial statements. Additionally, further review of these or other matters may uncover other information, which have not been brought to our attention, and may require further adjustments or disclosures to the financial statements.

4. ASTI Management Incentive Scheme ("AMIS")

   As detailed in Note 40, AMIS was set up on 14 August 2020 and is in force during the financial year ended 31 December 2022. The Group has disclosed the accruals of variable bonus to key management personnel for the financial year 2022 as contingent liability. We have been unable to obtain sufficient appropriate audit evidence to ascertain the probability of the outflow of resources embodying economic benefits to settle the obligation. Consequently, we are unable to ascertain the appropriateness of the Group's accounting treatment of the accruals.

Other Matter

The financial statements of the Group and the Company for the financial year ended 31 December 2021 were audited by another firm of auditors who expressed a disclaimer of opinion on the financial statements in their report dated 15 August 2023 for the matters 1 to 3 described in the Basis for Disclaimer of Opinion section above.

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 Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASTI HOLDINGS LIMITED

Report on the Audit of Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing and to issue an auditors' report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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 (the "ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In view of the matters referred to in the Basis for Disclaimer of Opinion section of our report, we are unable to conclude whether the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lai Keng Wei.

FORVIS MAZARS LLP
(FORMERLY KNOWN AS MAZARS LLP)
Public Accountants and
Chartered Accountants

Singapore
11 September 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 S$'000	2021 S$'000 (Restated)
Revenue	4	**67,006**	54,281
Cost of sales		**(48,528)**	(38,755)
Gross profit		**18,478**	15,526
Other income	5	**570**	1,215
Other expense			
– Marketing and distribution		**(1,628)**	(1,484)
– Research and development		**2**	(139)
– Administrative expenses		**(10,169)**	(16,204)
– Other losses, net		**(1,409)**	(20,953)
– Finance costs, net	6	**(194)**	(139)
Share of results of associates, net of tax		**6**	(3,119)
Profit/(Loss) before income tax	7	**5,656**	(25,297)
Income tax expense	8	**(1,124)**	(1,170)
Profit/(Loss) for the year		**4,532**	(26,467)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
– Foreign currency translation		**(77)**	(253)
Other comprehensive loss for the year, net of tax		**(77)**	(253)
Total comprehensive income/(loss) for the year		**4,455**	(26,720)
Profit/(Loss) attributable to:			
Owners of the Company		**5,401**	(11,523)
Non-controlling interests		**(869)**	(14,944)
Profit/(Loss) for the year		**4,532**	(26,467)
Total comprehensive loss attributable to:			
Owners of the Company		**4,251**	(11,315)
Non-controlling interests		**204**	(15,405)
Total comprehensive income/(loss) for the year		**4,455**	(26,720)
Earnings/(Loss) per share attributable to owners of the Company (cents per share)			
Basic and diluted	9	**0.82**	(1.76)

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

Group	Note	2022	2021	1 January 2021
		S$'000	S$'000	S$'000
			(Restated)	(Restated)
ASSETS				
Non-current assets				
Intangible assets	10	**18**	18	63
Property, plant and equipment	11	**33,248**	23,204	21,592
Investments in subsidiaries	12	**–**	–	–
Investments in associates	13	**1,738**	1,866	22,478
Deferred tax assets	14	**27**	35	58
Other receivables	18	**39**	43	5
Amounts due from associates	20	**2,461**	1,996	1,790
Total non-current assets		**37,531**	27,162	45,986
Current assets				
Inventories	15	**3,582**	3,524	2,790
Prepayments and advances	16	**883**	863	759
Trade receivables	17	**12,900**	11,027	10,663
Other receivables	18	**863**	853	1,542
Amounts due from associates	20	**628**	1,483	893
Amount due from a related company	21	**–**	–	3,070
Cash at bank and on hand	22	**25,875**	23,849	28,917
Total currents assets		**44,731**	41,599	48,634
Total assets		**82,262**	68,761	94,620
EQUITY AND LIABILITIES				
Equity				
Share capital	23	**132,617**	132,617	132,617
Treasury shares	24	**(4,772)**	(4,772)	(4,772)
Capital reserves	25	**(8,194)**	(8,194)	(8,194)
Foreign currency translation reserve	26	**(604)**	546	338
Accumulated losses		**(55,502)**	(60,903)	(49,380)
Equity attributable to owners of the Company		**63,545**	59,294	70,609
Non-controlling interests		**(18,424)**	(18,628)	(3,223)
Total equity		**45,121**	40,666	67,386

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

Group	Note	2022	2021	1 January 2021
		S$'000	S$'000	S$'000
			(Restated)	(Restated)
Non-current liabilities				
Deferred tax liabilities	14	**424**	194	183
Long term payables	27	**2,412**	2,530	2,665
Loans and borrowings	28	**9,767**	425	491
Lease liabilities	29	**844**	1,251	771
Total non-current liabilities		**13,447**	4,400	4,110
Current liabilities				
Loans and borrowings	28	**2,178**	2,628	2,682
Lease liabilities	29	**655**	1,197	1,061
Provisions	30	**100**	100	101
Trade payables and accruals	31	**10,721**	13,396	11,556
Other payables	32	**9,683**	5,618	7,039
Income tax payable		**357**	756	685
Total current liabilities		**23,694**	23,695	23,124
Total liabilities		**37,141**	28,095	27,234
Total equity and liabilities		**82,262**	68,761	94,620

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

Company	Note	2022 S$'000	2021 S$'000 (Restated)	1 January 2021 S$'000 (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	11	**98**	170	213
Investments in subsidiaries	12	**5,436**	7,910	7,910
Investments in associates	13	**5,801**	5,801	5,801
Amounts due from associates	20	**2,461**	1,996	1,790
Total non-current assets		**13,796**	15,877	15,714
Current assets				
Prepayments and advances	16	**35**	38	50
Other receivables	18	**106**	10	77
Amounts due from subsidiaries	19	**1,513**	77	10,466
Amounts due from associates	20	**340**	1,183	572
Cash at bank and on hand	22	**1,456**	1,390	2,902
Total currents assets		**3,450**	2,698	14,067
Total assets		**17,246**	18,575	29,781
EQUITY AND LIABILITIES				
Equity				
Share capital	23	**132,617**	132,617	132,617
Treasury shares	24	**(4,772)**	(4,772)	(4,772)
Capital reserves	25	**(2,960)**	(2,960)	(2,960)
Accumulated losses		**(116,444)**	(120,009)	(103,395)
Total equity		**8,441**	4,876	21,490
Non-current liability				
Lease liabilities	29	**–**	30	–
Total non-current liability		**–**	30	–
Current liabilities				
Lease liabilities	29	**30**	40	–
Trade payables and accruals	31	**1,175**	3,573	1,029
Other payables	32	**293**	356	356
Amounts due to subsidiaries	33	**7,307**	9,700	6,906
Total current liabilities		**8,805**	13,669	8,291
Total liabilities		**8,805**	13,699	8,291
Total equity and liabilities		**17,246**	18,575	29,781

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Attributable to owners of the Company							
	Share capital S$'000	Treasury shares S$'000	Capital reserve S$'000	Foreign currency translation reserve S$'000	Accumulated losses S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
Group								
Balance at 1 January 2021	132,617	(4,772)	(8,194)	338	(44,218)	75,771	(3,223)	72,548
Opening balance adjustment	–	–	–	–	(5,162)	(5,162)	–	(5,162)
Balance at 1 January 2021 (Restated)	132,617	(4,772)	(8,194)	338	(49,380)	70,609	(3,223)	67,386
Loss for the year	–	–	–	–	(11,523)	(11,523)	(14,944)	(26,467)
Other comprehensive loss:								
Foreign currency translation reserve	–	–	–	208	–	208	(461)	(253)
Total comprehensive loss for the year	–	–	–	208	(11,523)	(11,315)	(15,405)	(26,720)
Balance at 31 December 2021 (Restated)	132,617	(4,772)	(8,194)	546	(60,903)	59,294	(18,628)	40,666
Profit for the year	–	–	–	–	5,401	5,401	(869)	4,532
Other comprehensive income:								
Foreign currency translation reserve	–	–	–	(1,150)	–	(1,150)	1,073	(77)
Total comprehensive (loss)/income for the year	–	–	–	(1,150)	5,401	4,251	204	4,455
Balance at 31 December 2022	**132,617**	**(4,772)**	**(8,194)**	**(604)**	**(55,502)**	**63,545**	**(18,424)**	**45,121**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 S$'000	2021 S$'000 (Restated)
OPERATING ACTIVITIES			
Profit/(Loss) before income tax		**5,656**	(25,297)
Adjustments for:			
– Impairment loss on club membership	10	**–**	46
– Depreciation of property, plant and equipment	11	**9,075**	7,363
– Impairment loss on property, plant and equipment	11	**212**	579
– Impairment loss on investments in associates	13	**–**	17,922
– Allowance/(Write-back) of stock obsolescence, net	15	**32**	(650)
– Write-back on amounts due from related company	37	**–**	(185)
– Allowance on amounts due from associates	37	**845**	3,964
– (Write-back)/Allowance on trade receivables	37	**(208)**	239
– (Write-back)/Allowance on other receivables	37	**(8)**	116
– Restructuring	30	**–**	(5)
– Advance from customer written off	5	**–**	(166)
– Loss/(Gain) on disposal of property, plant and equipment	5,7	**5**	(28)
– Interest income	6	**(355)**	(297)
– Interest expense	6	**507**	394
– Property, plant and equipment written off	7	**–**	4
– Share of results of associates		**(6)**	3,119
– Effects of exchange loss		**(516)**	(676)
Operating cash flows before changes in working capital		**15,239**	6,442
Changes in working capital:			
Inventories		**(245)**	(42)
Prepayment and advances		**(20)**	(104)
Trade receivables		**(1,333)**	(603)
Other receivables		**19**	536
Amounts due from associates		**(148)**	(3,568)
Amount due from a related company		**–**	3,255
Long term payables		**(134)**	(139)
Trade and other payables		**(3,603)**	(1,166)
Cash flows generated from operations		**9,775**	4,611
Interest paid		**(130)**	(312)
Interest received		**82**	104
Income tax paid		**(1,285)**	(1,065)
Net cash flows generated from operating activities		**8,442**	3,338

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 S$'000	2021 S$'000 (Restated)
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		**6**	150
Purchase of property, plant and equipment (Note A)		**(14,097)**	(5,494)
Prepayment of right-of-use assets		**–**	(12)
Loan to associates		**–**	(1,000)
Net cash flows used in investing activities		**(14,091)**	(6,356)
FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities		**(1,075)**	(1,340)
Proceeds from bank borrowings		**9,422**	59
Repayments of bank borrowings		**(208)**	(136)
Net cash flows generated from/(used in) financing activities		**8,139**	(1,417)
Net increase/(decrease) in cash and cash equivalents		**2,490**	(4,435)
Cash and cash equivalents at beginning of the financial year		**23,849**	28,917
Effects of exchange rate changes on cash and cash equivalents		**(464)**	(633)
Cash and cash equivalents at end of the financial year	22	**25,875**	23,849

A. Purchase of property, plant and equipment

Property, plant and equipment were acquired by means of:

	2022 S$'000	2021 S$'000
Cash payments	**14,097**	5,494
Leases (Note 29)	**167**	1,774
Other payables (Note 32)	**5,266**	1,755
	19,530	9,023

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Reconciliation of liabilities arising from financing activities

			Non-cash movements				
	At beginning of financial year S$'000	Financing cash flows S$'000	Acquisition S$'000	Accretion of interest S$'000	Lease modification S$'000	Foreign exchange movement S$'000	At end of financial year S$'000
2022							
Liabilities							
Loans and borrowings	**3,053**	**9,214**	**–**	**361**	**–**	**(683)**	**11,945**
Lease liabilities	**2,448**	**(1,205)**	**167**	**130**	**290**	**(331)**	**1,499**
2021							
Liabilities							
Loans and borrowings	3,173	(240)	–	241	–	(121)	3,053
Lease liabilities	1,832	(1,489)	1,774	149	177	5	2,448

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

1. General

ASTI Holdings Limited (the "Company") (Registration Number: 199901514C) is incorporated in the Republic of Singapore on 27 March 1999 as a public company limited by shares. The Company is domiciled in the Republic of Singapore and was admitted to the Official List of the Stock Exchange of Singapore Dealing and Automated Quotation System ("SGX-SESDAQ") on 8 July 1999. Effective 28 April 2005, the listing and quotation of the Company's shares was transferred to the official list of the SGX Mainboard.

On 6 June 2022, the Company received a delisting notification from SGX-ST and trading in the holding company's securities was ceased on 9am, 5 July 2022 and trading will remain suspended until the completion of an exit offer.

The registered office of the Company is located at 33 Ubi Avenue 3, Vertex, #06-72, Singapore 408868.

The principal activities of the Company are those of investment holding and acting as corporate manager and advisor in connection with the administration and organisation of the businesses of its subsidiaries. The principal activities of the subsidiaries and associates are disclosed in Note 12 and Note 13 respectively.

The consolidated financial statements of ASTI Holdings Limited and its subsidiaries (collectively, the "Group") for the year ended 31 December 2022 and the statement of financial position of the Company as at 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 11 September 2024.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and the statement of financial position of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of SFRS(I)s ("SFRS(I) INTs") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statements of financial position of the Company are presented in Singapore dollar ("S$") which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("S$'000"), unless otherwise indicated.

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I)s INT that are relevant to its operations and effective for annual periods beginning on or after 1 January 2022. With the exception of the amendments made to SFRS(I) 1-37 *Onerous Contracts – Cost of Fulfilling a Contract*, the adoption of these new or revised SFRS(I)s and SFRS(I)s INT did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

The adoption of SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets* ("SFRS(I) 1-37") from 1 January 2022 resulted in a change in accounting policy in the assessment of onerous contracts. Before the amendment, the Group only included incremental costs to fulfil a contract when determining whether a contract is onerous. With the amendment, the Group includes both the incremental costs and an allocation of other costs that relate directly to fulfilling contracts when determining whether a contract is onerous.

The amendments are applied on a retrospective basis on contracts for which the Group has not yet fulfilled all its obligations on 1 January 2022. Based on the Group's assessment, there is no onerous contract identified with the revision of the accounting policy.

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

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

SFRS(I)s	Title	Effective date (annual periods beginning on or after)
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: *Disclosure of Accounting Policie*s	1 January 2023
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*	1 January 2023
SFRS(I) 17	Amendments to SFRS(I) 17: *Insurance Contracts*	1 January 2023
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2024
SFRS(I) 1-7, SFRS(I) 7	Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*	1 January 2024
SFRS(I) 16	Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*	1 January 2024
Various	Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024
SFRS(I) 1-21, SFRS(I) 1	Amendments to SFRS(I) 1-21: *Lack of Exchangeability*	1 January 2025
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation

Consequential amendments were also made to various standards as a result of these new/revised standards.

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

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

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

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 Financial Instruments ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

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

2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

The Group has the option to apply a "concentration test" as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* ("SFRS(I) 3") are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* ("SFRS(I) 5"), which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

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

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

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

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

- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

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

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

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

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

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

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.4 Revenue recognition

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.

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.

Sale of goods

Revenue from the distribution sales of components is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price and adjusted for expected returns. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group does not adjust revenue recognised for the expected returns as they have assessed them to be insignificant.

Provision of services

Revenue from provision of manufacturing services is recognised upon the completion, delivery and acceptance of the services rendered.

Rental income (Included in other income)

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms on ongoing leases. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

The Group participates in the national pension schemes as defined by the laws of the People's Republic of China ("PRC"). Subsidiaries incorporated in the PRC are required to provide staff pension benefits to their employees under existing PRC legislation. These subsidiaries are required to contribute a certain percentage of their payroll costs to the pension scheme to fund the benefits. The pension funds are managed by government agencies, which are responsible for paying pensions to the retired employees. Contributions under the pension scheme are charged to the profit or loss as they become payable in accordance with the rules of the pension scheme.

2.7 Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.8 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities that at the time of the transaction affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale.

2. Summary of significant accounting policies (Continued)

2.8 Income tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2.9 Dividends

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

2.10 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity through other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.10 Foreign currency transactions and translation (Continued)

Exchange differences relating to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

2.11 Property, plant and equipment

Freehold buildings are measured at cost less accumulated depreciation and impairment losses.

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

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.11 Property, plant and equipment (Continued)

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

Freehold buildings	50 years
Leasehold properties	20 to 50 years or shorter of remaining lease terms and economic useful lives
Furniture and fittings	3 – 10 years
Plant and machinery	3 – 10 years
Office equipment	3 – 10 years
Motor vehicles	4 – 5 years

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 29.

Assets under construction-in-progress are not depreciated as these assets are not yet available for 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 estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.12 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. The useful lives of intangible assets are assessed as either finite or indefinite.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.12 Intangible assets (Continued)

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 each financial year-end. 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.

Intangible assets with indefinite useful lives 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.

Intangible assets include intellectual property and club memberships.

Club membership

Club membership was acquired separately and is stated at cost less impairment losses. The useful life of club membership is estimated to be indefinite and assessment for impairment is performed annually or more frequently if the events and circumstances indicate the carrying value may be impaired either individually or at the cash-generating unit level.

2.13 Investments in associates

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of those policies, and generally accompanying a shareholding of 20% or more of the voting power.

On acquisition of the associate, any excess of the cost of the investment over the Group's share of the net fair value of the associate 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 associate identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the reporting period in which the investment is acquired. Investments in associates are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.13 Investments in associates (Continued)

The results and assets and liabilities of the associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under SFRS(I) 5 from the date on which the investees become classified as held for sale. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. The Group's share of losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Distributions received from the associate reduce the carrying amount of the investment. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see above).

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Company has accounted for its investments in associates at cost less any accumulated impairment in its separate financial statements.

2.14 Impairment of non-financial assets

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.14 Impairment of non-financial assets (Continued)

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.15 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15") in Note 2.4.

The classification of the financial assets at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL") depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

2. Summary of significant accounting policies (Continued)

2.15 Financial instruments (Continued)

Financial assets (Continued)

Initial recognition and measurement (Continued)

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost include trade and other receivables, cash and cash equivalents and unquoted corporate bonds.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, and recognised in interests income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.15 Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVTOCI, or is irrevocably elected at initial recognition to be designated FVTPL if, by designating the financial asset as FVTPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on financial assets has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group applies the simplified approach to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.15 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

While they are not financial assets, contract assets arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 37.

Derecognition of financial assets

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

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.15 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Equity instruments

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

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Treasury shares

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the accumulated profits of the Company if the shares are purchased out of earnings of the Company, or proportionately against the share capital and accumulated profits accounts if the shares are purchased both out of capital and accumulated profits of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.15 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Initial recognition and measurement

All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis in finance costs. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.5 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.15 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Other financial liabilities (Continued)

Financial guarantee contracts

The Company has issued corporate guarantees to banks for banking facilities granted by them to certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment terms.

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

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset, and the net amount presented in the statement of financial position when, and only when, an entity:

(i) Currently has a legally enforceable right to set off the recognised amounts; and

(ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

2.18 Leases

The Group as a lessee

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 *Leases*. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.18 Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets are presented within "property, plant and equipment".

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments less any lease incentive receivable,

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,

– amounts expected to be payable under a residual value guarantee,

– the exercise price under a purchase option that the Group is reasonably certain to exercise, and

– payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.18 Leases (Continued)

The Group as a lessor

Where a contract contains more than one lease and/or non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component.

At the lease commencement date, the Group assess and classify each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.19 Provisions (Continued)

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

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

2.20 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

Non-monetary government grant is recognised at nominal amount.

2.21 Contingencies

A contingent liability is:

(i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

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

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

(b) the amount of the obligation cannot be measured with sufficient reliability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (Continued)

2.21 Contingencies (Continued)

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

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2.22 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 estimates and judgements

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Group's accounting policies

Consolidation of Dragon Group International Limited ("DGI")

As at 31 December 2022, the Company has an equity interest of 41% in DGI. Management has considered the size of the Company's shareholding relative to the size and dispersion of shareholdings held by other shareholders and determined that it has the current ability to direct the relevant activities of DGI notwithstanding its shareholdings are less than 50%. The Company remains the dominant shareholder based on historical voting records at DGI's general meetings. DGI is hence accounted for as a subsidiary and its results are included in the Group's consolidated income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. Significant accounting estimates and judgements (Continued)

3.1 Critical judgements made in applying the Group's accounting policies (Continued)

Determination of lease term of contracts with extension options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend.

As at 31 December 2022, potential future (undiscounted) cash outflows of approximately S$650,000 (2021: S$682,000) have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of property, plant and equipment

Property, plant and equipment are assessed at the end of each financial year to ascertain whether there is an indication of impairment, if such indications are found, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Such impairment loss is recognised in profit or loss.

3. Significant accounting estimates and judgements (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Impairment of property, plant and equipment (Continued)

Management judgement is required in the area of asset impairment, particularly in assessing (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the market value or the net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in estimating the market value of preparing the cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, could materially affect the net present value used in the impairment test and as a result may potentially affect the Group's results. The carrying amounts of the Group's and the Company's property, plant and equipment at 31 December 2022 were S$33,248,000 (2021: S$23,204,000) and S$98,000 (2021: S$170,000) respectively.

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Management estimates the useful lives of these property, plant and equipment to be within 1 to 50 years. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's and the Company's property, plant and equipment at 31 December 2022 were S$33,248,000 (2021: S$23,204,000) and S$98,000 (2021: S$170,000) respectively.

Impairment of investments in subsidiaries and associates

At the end of each financial year, an assessment is made on whether there are indicators that the Group's and Company's investments are impaired or that an impairment loss recognised in prior periods may no longer exist or may have decreased. Where applicable, the Group's determination of the recoverable value is based on the estimation of the value-in-use of the applicable assets as defined in SFRS(I) 1-36 *Impairment of Assets*. In determining the value-in-use, the Company has considered the key assumptions applied, including the discount rate and growth rate. The Company's carrying amounts of investments in subsidiaries as at 31 December 2022 was S$5,436,000 (2021: S$7,910,000). The carrying amounts of the Group's and the Company's investments in associates at 31 December 2022 were S$1,738,000 (2021: S$1,866,000) and S$5,801,000 (2021: S$5,801,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. Significant accounting estimates and judgements (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's and Company's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 December 2022 was S$3,582,000 (2021: S$3,524,000).

Measurement of ECL of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, adjusted for forward looking factors and significant macro-economic factors, where applicable, specific to the debtors and the economic environment, which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses and estimates, for example, the gross domestic production growth rates of the countries (i.e. Singapore, PRC and Philippines) and the growth rates of the major industries in which its customers operate. The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 31 December 2022 is S$102,000 (2021: S$337,000).

Measurement of ECL of other receivables and amounts due from subsidiaries

The Group and the Company use amongst other factors, the financial positions of the third parties and subsidiaries, the past financial performances, and cash flow trends, adjusted for the outlook of the industry and economy in which the third parties and subsidiaries operate in. Impairment on these balances has been measured on the 12-month expected loss basis which reflects low credit risk of the exposures. The carrying amounts of the Group's and Company's other receivables as at 31 December 2022 were S$902,000 (2021: S$896,000) and S$106,000 (2021: S$10,000) respectively. The carrying amount of the Company's amounts due from subsidiaries as at 31 December 2022 was S$1,513,000 (2021: S$77,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. Significant accounting estimates and judgements (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Measurement of ECL of amounts due from associates

The Group and the Company use amongst other factors, the financial positions of the third parties and subsidiaries, the past financial performances, and cash flow trends, adjusted for the outlook of the industry and economy in which the associates operate in. Impairment on these balances has been measured on a lifetime expected loss basis which reflects credit risk of the exposures. The carrying amounts of the Group's and the Company's amounts due from associates as at 31 December 2022 were S$3,089,000 (2021: S$3,479,000) and S$2,801,000 (2021: S$3,179,000) respectively.

Provision for income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Group's current tax payable, deferred tax assets and deferred tax liabilities as at 31 December 2022 was S$357,000 (2021: S$756,000), S$27,000 (2021: S$35,000) and S$424,000 (2021: S$194,000) respectively.

4. Revenue

	Group	
	2022	**2021**
	S$'000	**S$'000**
Revenue from contracts with customers – At a point in time		
Sale of goods	**8,156**	6,482
Provision of services	**58,850**	47,799
	67,006	54,281

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. Revenue (Continued)

Disaggregation of revenue from contracts with customers is as follows:

	Reportable segments		
	Backend equipment solutions & technologies S$'000	**Distribution & services S$'000**	**Total S$'000**
2022			
Geographical markets			
China	**8,380**	**770**	**9,150**
Singapore	**817**	**283**	**1,100**
Malaysia	**3,379**	**283**	**3,662**
Philippines	**43,571**	**–**	**43,571**
United Kingdom	**2,478**	**–**	**2,478**
Others	**4,639**	**2,406**	**7,045**
	63,264	**3,742**	**67,006**
2021			
Geographical markets			
China	6,615	583	7,198
Singapore	828	243	1,071
Malaysia	2,678	189	2,867
Philippines	34,994	–	34,994
United Kingdom	2,538	–	2,538
Others	3,609	2,004	5,613
	51,262	3,019	54,281

The Group has applied the practical expedient permitted under SFRS(I) 15 for which the aggregated transactions price allocated to unsatisfied contracts which are part of contracts, that have an original expected duration of one year or less, is not disclosed.

5. Other income

	Group	
	2022 S$'000	**2021 S$'000**
Rental income	**381**	358
Government incentives and grant income	**111**	503
Advance from customer written off	**–**	166
Gain on disposal of property, plant and equipment	**–**	28
Others	**78**	160
	570	1,215

5. Other income (Continued)

In prior financial year, government incentives and grant income mainly relates to relief incentives and grants provided by the government to ease the financial strain on the Group during the COVID-19 pandemic.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	Group	
	2022	**2021**
	S$'000	**S$'000**
Less than one year	**268**	360
One to two years	**4**	80
Two to three years	**–**	4
Three to four years	**–**	–
Four to five years	**–**	–
More than five years	**–**	–
Total undiscounted lease receivable	**272**	444
Unearned finance income	**–**	–
Total	**272**	444

6. Finance costs, net

	Group	
	2022	**2021**
	S$'000	**S$'000**
Interest income		
– Short-term deposits/current accounts	**80**	78
– Amounts owing from sundry debtors	**2**	27
– Amounts owing from associates	**273**	192
	355	297
Interest expense		
– Lease liabilities	**(130)**	(149)
– Bank loans and trade financing	**(361)**	(241)
– Others	**(16)**	(4)
	(507)	(394)
Bank charges	**(42)**	(42)
Total	**(194)**	(139)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7. Profit/(Loss) before income tax

The following charges/(credits) were included in the determination of profit/(loss) before income tax:

	Group	
	2022	**2021**
	S$'000	**S$'000**
		(Restated)
Impairment loss on club membership	**–**	46
Depreciation of property, plant and equipment	**9,075**	7,363
Impairment loss on property, plant and equipment	**212**	579
Impairment loss on investments in associates	**–**	17,922
Allowance/(Write-back) of stock obsolescence, net	**32**	(650)
Write-back on amount due from related company	**–**	(185)
Allowance on amounts due from associates	**845**	3,964
(Write-back)/Allowance on trade receivables	**(208)**	239
(Write-back)/Allowance on other receivables	**(8)**	116
Loss on disposal of property, plant and equipment	**5**	–
Property, plant and equipment written off	**–**	4
Net foreign exchange loss/(gain)	**808**	(1,663)
Audit fees paid to:		
– Auditors of the Company	**218**	1,089
– Other auditors	**592**	273
Non-audit fees paid to:		
– Auditors of the Company	**–**	23
– Other auditors	**66**	23
Staff costs		
– Salaries, wages, bonuses and others	**26,286**	28,498
– Defined contribution plans	**1,942**	1,728

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

8. Income tax expense

	Group	
	2022	**2021**
	S$'000	**S$'000**
		(Restated)
Current income tax:		
– Current financial year	**825**	1,148
– Under provision in respect of prior years	**38**	4
	863	1,152
Deferred income tax:		
– Current financial year	**261**	18
Total	**1,124**	1,170

The Company is incorporated in Singapore and accordingly is subject to an income tax rate of 17% (2021: 17%). There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year from the last year.

Reconciliation of effective tax rate is as follows:

	Group	
	2022	**2021**
	S$'000	**S$'000**
		(Restated)
Profit/(Loss) before income tax	**5,656**	(25,297)
Taxation at statutory rate of 17% (2021: 17%)	**962**	(4,300)
Tax effects of:		
Income not subject to tax	**(1,196)**	(3,974)
Effect of expenses not deductible for tax purposes	**967**	9,548
Effect of different tax rates of subsidiaries operating in other jurisdictions	**721**	(616)
Deferred tax assets utilised	**(450)**	(140)
Deferred tax assets not recognised	**21**	648
Under provision in respect of prior years	**38**	4
Others	**61**	–
Total income tax expense for the financial year	**1,124**	1,170

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

8. Income tax expense (Continued)

Deferred tax assets of certain subsidiaries have not been recognised as it is not probable that future taxable profits will be available against which the Group can utilise the benefits. The unrecognised deferred tax assets arise mainly from unutilised tax losses and unabsorbed capital allowances amounting to approximately S$71,989,000 (2021: S$74,520,000) and S$3,523,000 (2021: S$3,524,000) respectively.

The tax losses are subjected to an agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate.

Pursuant to the PRC Enterprise Income Tax Law which was promulgated on 22 February 2008, dividends distributed by PRC entities for profits generated before 1 January 2008 are exempted from withholding tax. Dividends paid in respect of profits generated on or after 1 January 2008 from the Group's foreign invested PRC enterprises will be subjected to a withholding tax of 5%.

Deferred tax has not been provided in respect of temporary differences in relation to the undistributed earnings of the subsidiaries as at 31 December 2022 amounting to approximately S$46.6 million (2021: S$48.2 million), as the Group is able to control the timing of the reversal and it is probable that such differences will not be reversed in the foreseeable future.

9. Earnings/(Loss) per share

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

The calculation of the basic earnings/(loss) per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group	
	2022	**2021**
	S$'000	**S$'000**
		(Restated)
Profit/(Loss) for the year attributable to owners of the Company used in the computation of basic and diluted earnings per ordinary share	**5,401**	(11,523)
Weighted average number of ordinary shares in issue applicable to basic and diluted earnings per share computation (no. of shares, in '000s)	**654,731**	654,731

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9. Earnings/(Loss) per share (Continued)

The diluted earnings per share is the same as the basic earnings/(loss) per share as there were no outstanding convertible securities for both the financial years ended 31 December 2022 and 31 December 2021.

10. Intangible assets

	Intellectual property S$'000	Club memberships S$'000	Total S$'000
Group			
Cost			
At 1 January 2021	900	166	1,066
Written off	–	(87)	(87)
Currency realignment	21	3	24
At 31 December 2021	921	82	1,003
Currency realignment	(7)	(1)	(8)
At 31 December 2022	**914**	**81**	**995**
Accumulated amortisation and impairment loss			
At 1 January 2021	900	103	1,003
Written off	–	(87)	(87)
Impairment loss	–	46	46
Currency realignment	21	2	23
At 31 December 2021	921	64	985
Currency realignment	(7)	(1)	(8)
At 31 December 2022	**914**	**63**	**977**
Net carrying amount			
At 31 December 2022	**–**	**18**	**18**
At 31 December 2021	–	18	18

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11. Property, plant and equipment

	Freehold land and buildings S$'000	Leasehold properties S$'000	Furniture and fittings S$'000	Plant and machinery S$'000	Office equipment S$'000	Motor vehicles S$'000	Construction-in-progress S$'000	Total S$'000
Group								
Cost								
At 1 January 2021	11,274	3,788	7,706	54,799	3,681	746	11,989	93,983
Additions	275	2,492	666	5,212	256	122	–	9,023
Disposals/written off	–	(72)	(333)	(872)	(59)	(54)	–	(1,390)
Lease modification	–	177	–	–	–	–	–	177
Currency realignment	197	98	142	1,742	63	11	604	2,857
At 31 December 2021	11,746	6,483	8,181	60,881	3,941	825	12,593	104,650
Additions	–	1,520	591	17,099	214	106	–	19,530
Disposals/written off	–	(99)	(576)	(1,725)	(87)	(22)	–	(2,509)
Reclassification	–	(1,127)	1,127	–	–	–	–	–
Lease modification	–	290	–	–	–	–	–	290
Currency realignment	(266)	(212)	(235)	(2,128)	(116)	(21)	(1,172)	(4,150)
At 31 December 2022	**11,480**	**6,855**	**9,088**	**74,127**	**3,952**	**888**	**11,421**	**117,811**
Accumulated depreciation and impairment loss								
At 1 January 2021	4,430	3,152	6,261	43,244	2,830	485	11,989	72,391
Charge for the year	658	766	658	4,833	339	109	–	7,363
Disposals/written off	–	(46)	(333)	(751)	(57)	(51)	–	(1,238)
Impairment loss	126	231	168	49	5	–	–	579
Currency realignment	78	74	114	1,424	50	7	604	2,351
At 31 December 2021	5,292	4,177	6,868	48,799	3,167	550	12,593	81,446
Charge for the year	505	899	600	6,690	286	95	–	9,075
Disposals/written off	–	(104)	(569)	(1,719)	(84)	(22)	–	(2,498)
Impairment loss	156	56	–	–	–	–	–	212
Currency realignment	(124)	(305)	(181)	(1,789)	(88)	(13)	(1,172)	(3,672)
At 31 December 2022	**5,829**	**4,723**	**6,718**	**51,981**	**3,281**	**610**	**11,421**	**84,563**
Net carrying amount								
At 31 December 2022	**5,651**	**2,132**	**2,370**	**22,146**	**671**	**278**	**–**	**33,248**
At 31 December 2021	6,454	2,306	1,313	12,082	774	275	–	23,204

Included in freehold land and buildings is a freehold land at cost of S$2,473,000 (2021: S$2,491,000). Also included in freehold land and buildings are buildings with carrying value of S$4,847,000 (2021: S$Nil) which are pledged for bank borrowings as at end of the reporting period as disclosed in Note 28.

11. Property, plant and equipment (Continued)

Impairment loss recognised on Construction-in-progress

Construction-in-progress relates to the construction of a boat in the People's Republic of China. In 2017, the Group faced unforeseen delays caused by local environmental rules requiring the boat to be repositioned. This resulted in certain disagreements between shareholders of Nanjing DTB. The construction has since been suspended pending a review on the future plans for the project. Given this significant uncertainty over the project since financial year ended 31 December 2018, the total cost of construction-in-progress of S$11,421,000 (2021: S$12,593,000) relating to the boat remained fully impaired as of 31 December 2022 and 2021.

	Leasehold properties S$'000	Furniture and fittings S$'000	Office equipment S$'000	Total S$'000
Company				
Cost				
At 1 January 2021	–	221	463	684
Additions	80	63	2	145
Written off	–	(72)	(14)	(86)
At 31 December 2021	80	212	451	743
Additions	–	–	29	29
Written off	–	(145)	(68)	(213)
At 31 December 2022	**80**	**67**	**412**	**559**
Accumulated depreciation				
At 1 January 2021	–	168	303	471
Charge for the year	10	59	118	187
Written off	–	(72)	(13)	(85)
At 31 December 2021	10	155	408	573
Charge for the year	40	22	35	97
Written off	–	(145)	(64)	(209)
At 31 December 2022	**50**	**32**	**379**	**461**
Net carrying amount				
At 31 December 2022	**30**	**35**	**33**	**98**
At 31 December 2021	70	57	43	170

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11. Property, plant and equipment (Continued)

Property, plant and equipment of the Group and Company includes right-of-use assets of S$1,245,000 and S$30,000 (2021: S$1,902,000 and S$70,000) respectively which are presented together with the owned assets of the same class as the underlying assets. Details of the right-of-use assets are disclosed in Note 29(a).

12. Investments in subsidiaries

	Company	
	2022	**2021**
	S$'000	**S$'000**
Quoted shares, at cost	**37,914**	37,914
Unquoted shares, at cost	**21,365**	25,442
Less: Dividend income declared from subsidiary's pre-acquisition reserve	**(294)**	(294)
	58,985	63,062
Less: Impairment loss on		
– Quoted shares	**(37,914)**	(37,914)
– Unquoted shares	**(15,635)**	(17,238)
	5,436	7,910
Carrying amount of quoted shares at 31 December	**–**	–

Quoted shares of the Company's subsidiary, Dragon Group International Limited, have been suspended from trading on the 10 May 2018.

Movements in the Company's provision of impairment losses for its investment in subsidiaries as at 31 December are as follows:

	Company	
	2022	**2021**
	S$'000	**S$'000**
At 1 January	**55,152**	54,166
Write back during the year	**(103)**	–
Additions during the year	**–**	986
Deregistration during the year (Note 12 (c))	**(1,500)**	–
At 31 December	**53,549**	55,152

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. Investments in subsidiaries (Continued)

During the year ended 31 December 2022, the Company has performed an impairment assessment on certain subsidiaries which had been dormant or loss-making. Based on the assessment, the management wrote back impairment charge of S$103,000 (2021: additional impairment charge of S$986,000) to write back (2021: write down) the investment in a subsidiary to its recoverable amount.

(a) Details of the significant subsidiaries held by the Company and its subsidiaries at 31 December are as follows:

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest held by the Group 2022 %	2021 %
Held by the Company				
Telford Industries Pte Ltd[(1)]	Singapore	Provision of semiconductor manufacturing services for surface mount technology components	**100**	100
Telford SVC. Phils., Inc.[(3)]	Philippines	Provision of semiconductor manufacturing services for surface mount technology components	**100**	100
Reel Service Limited[(3)]	United Kingdom	Investment holding, manufacturing and distribution of carrier tapes and plastic reels and provision of semiconductor manufacturing	**100**	100
Reel Service (Philippines), Inc.[(3)]	Philippines	Manufacturing and distribution of carrier tapes and plastic reels and provision of semiconductor manufacturing services for surface mount technology components	**100**	100
Telford Technologies (Shanghai) Pte Ltd[(2)]	PRC	Provision of semiconductor manufacturing services for surface mount technology components	**100**	100
Telford Property Management Inc.[(3)]	Philippines	Property investment	**100**	100
Dragon Group International Limited[(3)]	Singapore	Investment holding and acting as corporate manager and advisor to its subsidiaries	**41**	41
EoPlex Limited[(3)]	Hong Kong	Development of advanced chip packaging and related technologies	**85**	85

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. Investments in subsidiaries (Continued)

(a) Details of the significant subsidiaries held by the Company and its subsidiaries at 31 December are as follows (Continued):

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest held by the Group 2022 %	2021 %
Held by EoPlex Limited				
EoPlex Inc[4]	United States of America	Development of advanced chip packaging and related technologies	**100**	100
Held by Telford Industries Pte Ltd				
Telford Service Sdn. Bhd.[3]	Malaysia	Provision of semiconductor manufacturing services for surface mount technology components	**100**	100
Telford Service (Melaka) Sdn. Bhd.[3]	Malaysia	Provision of semiconductor manufacturing services for surface mount technology components	**100**	100
Held by Dragon Group International Limited				
Sooner Technology Pte Ltd[3]	Singapore	Trading in electronic components, computer peripherals and acting as commission agent	**100**	100
Dragon Equipment & Materials Technology Limited[3]	Hong Kong	Sale, distribution and acting as commission agent in equipment, materials and electronic components	**100**	100
DTB Limited[3]	Hong Kong	Investment holding	**100**	100
Held by Dragon Equipment & Materials Technology Limited				
Spire Technologies Pte Ltd[3]	Singapore	Importing, exporting, retailing and trading in electronic components and test consumables	**100**	100
Held by Spire Technologies Pte Ltd				
Spire Technologies (Taiwan) Ltd[3]	Taiwan	Importing, exporting, retailing and trading in electronic components and test consumables	**60**	60

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. Investments in subsidiaries (Continued)

(a) Details of the significant subsidiaries held by the Company and its subsidiaries at 31 December are as follows (Continued):

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest held by the Group 2022 %	2021 %
Held by DTB Limited				
Nanjing DTB Development Co., Ltd[3]	PRC	Construction of antique wooden sea boat, communication of culture, exhibition and conference etc.	**60**	60
Dragon Ventures Limited[3]	Hong Kong	Investment holding	**100**	100
Held by Dragon Ventures Limited				
Dragon Tourism Management Company Limited[4]	PRC	Develop and manage a mixed-used property	**100**	100

The above list excludes subsidiaries that are insignificant to the operations of the Group.

(1) Audited by Forvis Mazars LLP (formerly known as Mazars LLP), Singapore
(2) Audited by a member firm of Forvis Mazars Global for group consolidation purposes
(3) Audited by other audit firms
(4) Not required to be audited in country of incorporation

Subsidiaries that are audited by other audit firms:

Company	Auditors
Telford Service Sdn. Bhd.	BDO PLT, Malaysia
Telford Service (Melaka) Sdn. Bhd.	Chengco PLT, Malaysia
Spire Technologies (Taiwan) Ltd	YuanTeng CPAs & Consulting Inc, Taiwan
Dragon Equipment & Materials Technology Limited	K.C.Fok & Company, Hong Kong
DTB Limited	K.C.Fok & Company, Hong Kong
Dragon Ventures Limited	K.C.Fok & Company, Hong Kong
Nanjing DTB Development Co., Ltd	Jiangsu LiAnDaXingYe Certified Public Accountants Co., Ltd, China
EoPlex Limited	Bright Brilliance CPA Limited, Hong Kong

NOTES TO THE FINANCIAL STATEMENTS
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12. Investments in subsidiaries (Continued)

(b) Interest in subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiaries which have NCI that are material to the Group:

1. Dragon Group International Limited ("DGI") and its subsidiaries ("DGI Group")

2. EoPlex Limited and its subsidiaries ("EoPlex Group")

Subsidiaries	**Principal place of business**	**Proportion of ownership interest held by NCI**	**Loss allocated to NCI during the reporting period S$'000**	**Accumulated NCI at end of reporting period S$'000**
			(Restated)	**(Restated)**
31 December 2022				
DGI Group	Singapore	**59%**	**(854)**	**(12,755)**
EoPlex Group	Hong Kong	**15%**	**(12)**	**(6,061)**
31 December 2021				
DGI Group	Singapore	59%	(14,899)	(12,579)
EoPlex Group	Hong Kong	15%	(255)	(6,095)

There were no dividends paid to the above NCI during the years ended 31 December 2022 and 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. Investments in subsidiaries (Continued)

(b) Interest in subsidiaries with material non-controlling interests ("NCI") (Continued)

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries are as follows:

	DGI Group		EoPlex Group	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
		(Restated)		
Current				
Assets	**2,356**	2,792	**30**	85
Liabilities	**(21,745)**	(22,037)	**(39,315)**	(39,668)
Net current liabilities	**(19,389)**	(19,245)	**(39,285)**	(39,583)
Non-current				
Assets	**–**	1	**–**	–
Liabilities	**–**	–	**(1,940)**	(1,871)
Net non-current assets/(liabilities)	**–**	1	**(1,940)**	(1,871)
Net liabilities	**(19,389)**	(19,244)	**(41,225)**	(41,454)
Revenue	**3,742**	3,019	**–**	–
Loss before income tax	**(1,422)**	(25,202)	**(77)**	(1,699)
Income tax expense	**(26)**	(50)	**–**	–
Loss for the year	**(1,448)**	(25,252)	**(77)**	(1,699)
Other comprehensive income/(loss)	**1,150**	(813)	**–**	–
Total comprehensive loss for the year	**(298)**	(26,065)	**(77)**	(1,699)
Net cash flows (used in)/generated from operations	**(281)**	(1,990)	**(53)**	157

(c) Deregistration of subsidiaries

Following the deregistration of VisionXtreme Pte Ltd, ASTI (USA), Inc and Dragon Rises Limited during the financial year, the Group has deconsolidated the investment in these 3 entities. The deconsolidation of these 3 entities has no effect on the cash flow during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. Investments in associates

The Group's material investments in associates are summarised below:

	Group		
			1 January
	2022	2021	2021
	S$'000	S$'000	S$'000
		(Restated)	
Advanced Systems Automation Limited			
Quoted shares, at cost	**31,058**	31,058	31,058
Impairment loss	**(25,257)**	(25,257)	(25,257)
Cumulative share of loss	**(4,063)**	(3,935)	(3,849)
	1,738	1,866	1,952
EoCell Limited			
Unquoted shares, at cost	**20,000**	20,000	20,000
Impairment loss (please refer to Note 42 for details)	**(17,922)**	(17,922)	–
Cumulative share of (loss)/profit	**(2,078)**	(2,078)	526
	–	–	20,526
	1,738	1,866	22,478

The Company's material investments in associates are summarised below:

	Company	
	2022	2021
	S$'000	S$'000
Advanced Systems Automation Limited		
Quoted shares, at cost	**31,058**	31,058
Impairment loss	**(25,257)**	(25,257)
Cumulative share of loss	**–**	–
	5,801	5,801

	Group		Company	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Market value of quoted shares	**5,801**	5,801	**5,801**	5,801

The Group has not recognised losses relating to its associates where its share of losses exceeds the Group's carrying amount of its investment in those associates. The Group's cumulative share of unrecognised losses were S$1,462,000 (2021: S$Nil) of which S$1,462,000 (2021: S$Nil) was the share of current year's losses. The Group has no obligation in respect of these losses.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. Investments in associates (Continued)

Details of the significant associates held by the Group at 31 December are as follows:

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest held by the Group 2022 %	2021 %
Held by the Company				
Advanced Systems Automation Limited[A]	Singapore	Investment holding	**26**	26
Held by Advanced Systems Automation Limited				
Emerald Precision Engineering Sdn. Bhd.[B]	Malaysia	Fabrication of tooling, dies and related moulding of spare parts and other related businesses	**26**	26
Pioneer Venture Pte Ltd[A]	Singapore	Contract manufacturing solutions of fabricated metal products	**26**	26
Yumei Technologies Sdn. Bhd.[B]	Malaysia	Manufacturing of die-casting products	**26**	26
Yumei REIT Sdn. Bhd.[B]	Malaysia	Property owner	**26**	26
Held by Dragon Group International Limited (a subsidiary of the Company)				
EoCell Limited[C]	Hong Kong	Development of battery and storage solutions	**40**	40
Held by EoCell Limited				
EoCell Inc	United States of America	Development of battery and storage solutions	**100**	100

(A) Audited by Forvis Mazars LLP (formerly known as Mazars LLP), Singapore
(B) Audited by a member firm of Forvis Mazars LLP Global
(C) Audited by K.C. Fok & Company

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. Investments in associates (Continued)

The summarised financial information based on its SFRS(I)s financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

1. Advanced Systems Automation Limited ("ASA") and its subsidiaries ("ASA Group")

2. EoCell Limited and its subsidiaries ("EoCell Group")

Summarised statement of comprehensive income

	ASA Group		EoCell Group	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Revenue	**15,042**	18,990	**5,876**	–
Profit/(Loss) after income tax for the year	**23**	(244)	**(3,656)**	(7,639)
Profit/(Loss) after income tax from continuing operations	**23**	(779)	**–**	–
Profit after tax from discontinued operations	**–**	533	**–**	–
Other comprehensive loss	**(516)**	(87)	**–**	–
Total comprehensive loss for the year	**(493)**	(333)	**(3,656)**	(7,639)

Summarised balance sheet

	ASA Group	
	2022	**2021**
	S$'000	**S$'000**
Current assets	**8,129**	9,024
Non-current assets	**9,551**	10,483
Total assets	**17,680**	19,507
Current liabilities	**9,643**	10,203
Non-current liabilities	**10,763**	11,537
Total liabilities	**20,406**	21,740
Net liabilities	**(2,726)**	(2,233)
Proportion of the Group's ownership	**26%**	26%
Group's share of net liabilities	**(708)**	(581)
Goodwill on acquisition	**3,014**	3,014
Other adjustments	**(568)**	(567)
Carrying amount of the investment	**1,738**	1,866

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. Investments in associates (Continued)

Summarised balance sheet (Continued)

	EoCell Group		
			1 January
	2022	**2021**	**2021**
	S$'000	**S$'000**	**S$'000**
		(Restated)	
Current assets	**3,462**	4,235	13,088
Non-current assets	**5,994**	5,366	1,189
Total assets	**9,456**	9,601	14,277
Current liabilities	**5,027**	1,243	366
Non-current liabilities	**5,579**	5,923	4,041
Total liabilities	**10,606**	7,166	4,407
Net (liabilities)/assets	**(1,150)**	2,435	9,870
Proportion of the Group's ownership	**40%**	40%	40%
Group's share of net (liabilities)/assets	**(460)**	975	3,948
Goodwill on acquisition	**16,947**	16,947	16,560
Impairment loss	**(17,922)**	(17,922)	–
Cumulative unrecognised share of losses	**1,435**	–	–
Other adjustments	**–**	–	18
Carrying amount of the investment	**–**	–	20,526

14. Deferred tax assets/(liabilities)

	Group	
	2022	**2021**
	S$'000	**S$'000**
Deferred tax assets	**27**	35
Deferred tax liabilities	**(424)**	(194)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14. Deferred tax assets/(liabilities) (Continued)

Deferred tax assets

The movements in deferred tax assets were as follows:

	Group	
	2022	**2021**
	S$'000	**S$'000**
At 1 January	**35**	58
Charge for the year	**(4)**	(20)
Currency realignment	**(4)**	(3)
At 31 December	**27**	35

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

Deferred tax liabilities

The movements in deferred tax liabilities were as follows:

	Group	
	2022	**2021**
	S$'000	**S$'000**
At 1 January	**194**	183
Charge/(Credit) for the year	**257**	(2)
Currency realignment	**(27)**	13
At 31 December	**424**	194

Deferred tax liabilities principally arise as a result of excess of carrying amount over tax written down value of plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. Inventories

	Group	
	2022	**2021**
	S$'000	**S$'000**
Raw materials	**2,716**	2,547
Work-in-progress	**99**	94
Goods-in-transit	**133**	140
Finished goods	**1,274**	1,506
	4,222	4,287
Allowance for stock obsolescence	**(640)**	(763)
	3,582	3,524

Inventories are stated after providing the allowance for inventories obsolescence as follows:

	Group	
	2022	**2021**
	S$'000	**S$'000**
At 1 January	**763**	1,371
Allowance for obsolescence	**44**	–
Reversal of allowance for obsolescence	**(12)**	(650)
Currency realignment	**(155)**	42
At 31 December	**640**	763

The reversal of allowance for obsolescence was made when the related inventories were sold above their carrying amount.

The cost of inventories recognised as an expense in cost of sales of the Group was S$10,972,000 (2021: S$9,013,000).

16. Prepayments and advances

	Group		Company	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Prepayment	**707**	700	**35**	38
Advances	**176**	163	**–**	–
	883	863	**35**	38

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

17. Trade receivables

	Group	
	2022	2021
	S$'000	S$'000
Trade receivables	**13,002**	11,364
Less: Loss allowance	**(102)**	(337)
	12,900	11,027

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2021: 30 to 90 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables are denominated in the following currencies as at the reporting date:

	Group	
	2022	2021
	S$'000	S$'000
Singapore dollar	**120**	133
United States dollar	**7,748**	7,842
Philippines peso	**1,041**	579
Malaysian ringgit	**863**	763
Others	**3,128**	1,710
	12,900	11,027

18. Other receivables

	Group		Company	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Tax recoverable	**148**	159	**–**	–
Deposits	**208**	216	**8**	9
Other debtors	**393**	356	**98**	1
Sundry debtors	**3,460**	3,596	**–**	–
	4,209	4,327	**106**	10
Less: Loss allowance	**(3,307)**	(3,431)	**–**	–
	902	896	**106**	10
Disclosure in balance sheet:				
Current	**863**	853	**106**	10
Non-current	**39**	43	**–**	–
	902	896	**106**	10

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18. Other receivables (Continued)

Other receivables are denominated in the following currencies as at the reporting date:

	Group		Company	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	**268**	195	**106**	10
United States dollar	**262**	201	**–**	–
Philippines peso	**233**	207	**–**	–
Others	**139**	293	**–**	–
	902	896	**106**	10

19. Amounts due from subsidiaries

	Company	
	2022	2021
	S$'000	S$'000
Amounts due from subsidiaries	**66,728**	74,142
Less: Loss allowance	**(65,215)**	(74,065)
	1,513	77

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

Amounts due from subsidiaries are denominated in the following currencies as at the reporting date:

	Company	
	2022	2021
	S$'000	S$'000
Singapore dollar	**891**	11
United States dollar	**622**	66
	1,513	77

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

20. Amounts due from associates

	Group		
			1 January
	2022	**2021**	**2021**
	S$'000	**S$'000**	**S$'000**
		(Restated)	**(Restated)**
Non-interest bearing			
– Current	**4,243**	6,111	1,516
Interest bearing			
– Current	**339**	362	365
– Non-current	**9,212**	6,901	6,709
	13,794	13,374	8,590
Less: Loss allowance	**(10,705)**	(9,895)	(5,907)
	3,089	3,479	2,683
Disclosure in balance sheet:			
Current	**628**	1,483	893
Non-current	**2,461**	1,996	1,790
	3,089	3,479	2,683

	Company		
			1 January
	2022	**2021**	**2021**
	S$'000	**S$'000**	**S$'000**
		(Restated)	**(Restated)**
Non-interest bearing			
– Current	**750**	2,596	1,204
Interest bearing			
– Current	**–**	–	–
– Non-current	**9,212**	6,901	6,709
	9,962	9,497	7,913
Less: Loss allowance	**(7,161)**	(6,318)	(5,551)
	2,801	3,179	2,362
Disclosure in balance sheet:			
Current	**340**	1,183	572
Non-current	**2,461**	1,996	1,790
	2,801	3,179	2,362

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

20. Amounts due from associates (Continued)

Non-interest bearing amounts due from associates are unsecured, repayable on demand and to be settled in cash of which S$182,000 (2021: S$1,038,000) are trade in nature.

Interest bearing amounts due from associates are non-trade in nature, unsecured, bear an interest ranging from 1.99% to 4.63% (2021: 3.00% to 3.03%) per annum, repriced on quarterly basis and to be settled in cash. Please refer to Note 41 (ii) for the repayment terms of these amounts.

Amounts due from associates are denominated in the following currencies as at the reporting date:

	Group		
			1 January
	2022	2021	2021
	S$'000	S$'000	S$'000
		(Restated)	(Restated)
Singapore dollar	**2,936**	3,314	2,510
Malaysia ringgit	**153**	165	173
	3,089	3,479	2,683

	Company		
			1 January
	2022	2021	2021
	S$'000	S$'000	S$'000
		(Restated)	(Restated)
Singapore dollar	**2,801**	3,179	2,362

21. Amount due from a related company

	Group	
	2022	2021
	S$'000	S$'000
Amount due from a related company	**832**	838
Less: Loss allowance	**(832)**	(838)
	–	–

The amount due from a related company is non-trade in nature, unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

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22. Cash at bank and on hand

	Group		Company	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Cash on hand and at bank	**25,161**	23,074	**1,456**	1,390
Short-term deposits	**714**	775	**–**	–
	25,875	23,849	**1,456**	1,390

Cash at banks earn interest at floating rates based on daily bank deposit rates.

Short-term deposits of the Group with financial institutions are made for varying periods within 1 month (2021: 1 month) from the financial year end. The effective interest rates as at 31 December 2022 for the Group were ranging from 0.002% to 0.163% (2021: 0.002% to 0.015%) per annum.

Cash at bank and on hand are denominated in the following currencies as at the reporting date:

	Group		Company	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	**1,145**	2,339	**515**	1,341
United States dollar	**15,786**	11,572	**941**	49
Philippines peso	**2,267**	1,779	**–**	–
Chinese renminbi	**3,885**	5,228	**–**	–
Others	**2,792**	2,931	**–**	–
	25,875	23,849	**1,456**	1,390

23. Share capital

	Group and Company			
	2022	2021	2022	2021
	No. of ordinary shares		S$'000	S$'000
Issued and fully paid:				
At beginning and end of the financial year	**681,966,341**	681,966,341	**132,617**	132,617

The holders of ordinary shares (except treasury shares as disclosed in Note 24) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

24. Treasury shares

	Group and Company			
	2022	2021	2022	2021
	No. of ordinary shares		S$'000	S$'000
At beginning and end of the financial year	**27,234,855**	27,234,855	**4,772**	4,772

Treasury shares relate to the ordinary shares of the Company that are held by the Company. Losses or gains on disposal or reissue of treasury shares are reflected as equity in the balance sheet.

25. Capital reserves

	Group		Company	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Loss arising from sale or reissue of treasury shares				
At beginning and end of the financial year	**3,746**	3,746	**2,960**	2,960
Premium paid on acquisition of NCI or additional interest in subsidiary				
At beginning and end of the financial year	**1,131**	1,131	**–**	–
Discount on disposal to NCI				
At beginning and end of the financial year	**2,894**	2,894	**–**	–
Loss on dilution of interest in subsidiary				
At beginning and end of the financial year	**419**	419	**–**	–
Realisation of reserves on disposal of subsidiaries				
At beginning and end of the financial year	**4**	4	**–**	–
	8,194	8,194	**2,960**	2,960

No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

Gain or loss arising from sale or reissue of treasury shares

This represents the gain or loss arising from the purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of these reserves.

NOTES TO THE FINANCIAL STATEMENTS

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26. Foreign currency translation reserve

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

27. Long term payables

	Group	
	2022	2021
	S$'000	S$'000
Security deposit	**18**	18
Provision for defined retirement benefit	**454**	642
Long term loan	**1,034**	1,041
Accrual for long term loan interest	**906**	829
	2,412	2,530

Long term loan is non-trade in nature, bears an interest of 8.00% (2021: 8.00%) per annum and is not expected to be repaid within the next 12 months.

Long term payables are denominated in United States dollar as at the reporting date.

28. Loans and borrowings

	Group	
	2022	2021
	S$'000	S$'000
Current liabilities		
Unsecured loan (a)	**1,018**	1,201
Unsecured loan (b)	**1,083**	1,350
Unsecured loan (c)	**77**	77
	2,178	2,628
Non-current liabilities		
Unsecured loan (c)	**345**	425
Secured loan (d)	**9,422**	–
	9,767	425
	11,945	3,053

NOTES TO THE FINANCIAL STATEMENTS

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28. Loans and borrowings (Continued)

Unsecured loans

(a) Unsecured floating rate bank borrowing of a subsidiary bears effective interest rate of 6.25% (2021: 6.25%) per annum. This bank borrowing comprises S$1,018,000 (2021: S$1,201,000) which is repayable ranging from 90 days to 180 days. This loan is for the purpose of working capital.

(b) Short term unsecured floating rate bank borrowing of a subsidiary bears effective interest rate of 6.00% (2021: 5.88% to 6.00%) per annum. This bank borrowing comprises S$1,083,000 (2021: S$1,350,000) which is repayable in within one year. This loan is for the purpose of working capital.

(c) Unsecured floating rate bank borrowing of a subsidiary bear effective interest rate of 4.31% (2021: 4.31%) per annum. This bank borrowing comprise S$77,000 (2021: S$77,000) and S$345,000 (2021: S$425,000) which is repayable within one year and 2 years (2021: one year and 3 years) respectively. This loan is for the purpose of working capital.

Secured loan

(d) Secured fixed rate bank borrowing of a subsidiary bear effective interest rate of 8.17% (2021: Nil%) per annum. This bank borrowing comprises S$9,422,000 (2021: S$Nil) which is repayable quarterly from 2024 onwards. This loan is secured by a building pledged by a subsidiary of the Group. This loan is for the purpose of financing machineries purchases.

Loans and borrowings are denominated in the following currencies as at the reporting date:

	Group	
	2022	**2021**
	S$'000	**S$'000**
United States dollar	**9,844**	502
Philippines peso	**2,101**	2,551
	11,945	3,053

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

29. The Group as a lessee

The Group has lease contracts for various items of plant and machinery, motor vehicles and leasehold properties used in its operations which generally have lease terms between 1 to 3 years (2021: 1 to 3 years). 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.

Extension options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Group		**Company**	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Within five years	**650**	682	**81**	81

Recognition exemptions

The Group has certain office equipment with lease terms of 12 months or less and/or of low value. For such leases, the Group has elected not to recognise right-of-use assets and lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

29. The Group as a lessee (Continued)

(a) Right-of-use assets

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

	Plant and machinery S$'000	Motor vehicles S$'000	Leasehold properties S$'000	Total S$'000
Group				
At 1 January 2021	746	30	636	1,412
Additions	–	–	1,774	1,774
Depreciation	(441)	(30)	(766)	(1,237)
Written off	–	–	(26)	(26)
Impairment loss	–	–	(231)	(231)
Lease modification	–	–	177	177
Foreign exchange differences	15	–	18	33
At 31 December 2021	320	–	1,582	1,902
Additions	–	–	167	167
Depreciation	(264)	–	(899)	(1,163)
Written off	–	–	5	5
Impairment loss	–	–	(56)	(56)
Lease modification	–	–	290	290
Foreign exchange differences	(4)	–	104	100
At 31 December 2022	**52**	**–**	**1,193**	**1,245**
Company				
At 1 January 2021	–	–	–	–
Additions	–	–	80	80
Depreciation	–	–	(10)	(10)
At 31 December 2021	–	–	70	70
Depreciation	–	–	(40)	(40)
At 31 December 2022	**–**	**–**	**30**	**30**

The total cash outflows for leases during the financial year ended 31 December 2022 is S$1,205,000 (2021: S$1,489,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

29. The Group as a lessee (Continued)

(b) Lease liabilities

	Group		Company	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Current	**655**	1,197	**30**	40
Non-current	**844**	1,251	**–**	30
	1,499	2,448	**30**	70

The maturity analysis of lease liabilities is disclosed in Note 37.

Lease liabilities are denominated in the following currencies as at the reporting date:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Singapore dollar	**44**	103	**30**	70
Malaysian ringgit	**91**	459	**–**	–
Great Britain pound	**372**	173	**–**	–
United States dollar	**804**	1,551	**–**	–
Chinese renminbi	**188**	162	**–**	–
	1,499	2,448	**30**	70

(c) Amounts recognised in profit or loss

	Group	
	2022	**2021**
	S$'000	**S$'000**
Depreciation of right-of-use assets	**1,163**	1,237
Impairment loss on right-of-use assets	**56**	231
Interest expense on lease liabilities	**130**	149
Expense relating to short-term leases	**55**	53
Expense relating to leases of low-value assets	**8**	5

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

30. Provisions

	Group	
	2022	2021
	S$'000	S$'000
Restructuring provision		
At 1 January	**100**	101
Charge for the year	*****	1
Written back	**–**	(6)
Exchange differences	*****	4
At 31 December	**100**	100

* Denotes amount less than S$1,000

Restructuring provision

The provision of S$100,000 (2021: S$100,000) pertains to the restructuring of its operations in Nanjing DTB Development Co., Ltd due to the significant uncertainty over the Dragon Treasure Boat project in 2018. The provision is expected to be fully utilised over the next 12 months.

31. Trade payables and accruals

	Group		Company	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Trade payables – third parties	**2,851**	4,056	**–**	–
Accruals	**7,870**	9,340	**1,175**	3,573
	10,721	13,396	**1,175**	3,573

Trade payables and accruals are non-interest bearing.

Trade payables are normally settled on 60-days (2021: 60 days) terms, while accruals and other payables have an average term of six months (2021: six months).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

31. Trade payables and accruals (Continued)

Trade payables and accruals are denominated in the following currencies as at the reporting date:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Singapore dollar	**3,130**	5,454	**1,175**	3,566
United States dollar	**3,241**	3,927	**–**	7
Philippines peso	**689**	255	**–**	–
Chinese renminbi	**2,450**	2,561	**–**	–
Thailand baht	**304**	271	**–**	–
Others	**907**	928	**–**	–
	10,721	13,396	**1,175**	3,573

32. Other payables

	Group		Company	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Directors' fees	**223**	233	**223**	233
Directors' fees of subsidiaries	**204**	102	**–**	–
Payable arising from purchase of property, plant and equipment	**5,266**	1,755	**–**	–
Advances received from customers (Note (i))	**71**	68	**–**	–
Advances from NCI	**2,447**	2,696	**–**	–
Sundry creditors	**747**	611	**64**	118
Others	**725**	153	**6**	5
	9,683	5,618	**293**	356

(i) The advances received from customers relate to the deposits received for sales orders.

Other payables are denominated in the following currencies as at the reporting date:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Singapore dollar	**938**	497	**293**	356
United States dollar	**266**	243	**–**	–
Philippines peso	**5,971**	1,832	**–**	–
Chinese renminbi	**2,303**	2,740	**–**	–
Others	**205**	306	**–**	–
	9,683	5,618	**293**	356

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33. Amounts due to subsidiaries

Amounts due to subsidiaries are non-trade in nature, unsecured, interest-free and are repayable on demand.

Amounts due to subsidiaries are denominated in the following currencies as at the reporting date:

	Company	
	2022	**2021**
	S$'000	**S$'000**
Singapore dollar	–	584
United States dollar	**7,307**	9,116
	7,307	9,700

34. Segment information

The Group positioned its operations into two strategic business segments comprising Backend Equipment Solutions and Technologies ("BEST") and Distribution and Services. BEST is mainly engaged in provision of solutions and technologies in the backend (i.e. assembly, test and finishing) arena of the semiconductor industry. The Distribution and Services segment is engaged mainly in the provision of semiconductor application in consumer electronics, computer peripheral and communication solution.

Segment accounting policies are described in Note 2.22.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

Geographical information

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

	Revenue		Non-current assets	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
China	**9,150**	7,198	**289**	241
Singapore	**1,100**	1,071	**5,023**	4,807
Malaysia	**3,662**	2,867	**752**	734
Philippines	**43,571**	34,994	**29,447**	19,358
United Kingdom	**2,478**	2,538	**1,641**	1,619
Others	**7,045**	5,613	**379**	403
	67,006	54,281	**37,531**	27,162

Information about major customers

Revenue from 3 major customers amounted to S$45,346,000 (2021: S$35,455,000), arising from sales by the BEST segment.

Revenue from one major customer amounted to S$718,000 (2021: S$530,000), arising from sales by the Distribution and Services segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

34. Segment information (Continued)

	BEST		Distribution and Services		Adjustment and elimination		Consolidated	
	2022 S$'000	2021 S$'000 (Restated)	2022 S$'000	2021 S$'000 (Restated)	2022 S$'000	2021 S$'000 (Restated)	2022 S$'000	2021 S$'000 (Restated)
Revenue								
Segmental revenue								
– External sales	**63,264**	51,262	**3,742**	3,019	**–**	–	**67,006**	54,281
– Inter-segment sales (Note A)	**1,737**	54	**–**	–	**(1,737)**	(54)	**–**	–
	65,001	51,316	**3,742**	3,019	**(1,737)**	(54)	**67,006**	54,281
Segment results	**5,980**	(1,215)	**(1,448)**	(25,252)	**–**	–	**4,532**	(26,467)
EBITDA (Note B)	**16,327**	7,561	**(1,416)**	(25,114)	**–**	–	**14,911**	(17,553)
Interest income	**131**	472	**2**	27	**222**	(202)	**355**	297
Interest expense	**(271)**	(596)	**(14)**	–	**(222)**	202	**(507)**	(394)
Depreciation on property, plant and equipment	**(9,074)**	(7,362)	**(1)**	(1)	**–**	–	**(9,075)**	(7,363)
Impairment loss on property, plant and equipment	**(212)**	(579)	**–**	–	**–**	–	**(212)**	(579)
(Allowance)/Write-back of stock obsolescence, net	**(34)**	650	**2**	–	**–**	–	**(32)**	650
Write-back/(Allowance) on trade receivables	**203**	(241)	**5**	2	**–**	–	**208**	(239)
Write-back/(Allowance) on other receivables	**8**	–	**–**	(116)	**–**	–	**8**	(116)
Profit/(Loss) before income tax	**7,078**	(95)	**(1,422)**	(25,202)	**–**	–	**5,656**	(25,297)
Income tax expense	**(1,098)**	(1,120)	**(26)**	(50)	**–**	–	**(1,124)**	(1,170)
Profit/(Loss) for the year	**5,980**	(1,215)	**(1,448)**	(25,252)	**–**	–	**4,532**	(26,467)
Other information:								
Share of results of associates	**6**	(64)	**–**	(3,055)	**–**	–	**6**	(3,119)
Additions to non-current assets (Note C)	**19,530**	9,023	**–**	–	**–**	–	**19,530**	9,023
Segment assets	**88,760**	76,299	**2,356**	2,793	**(8,854)**	(10,331)	**82,262**	68,761
Segment liabilities	**24,250**	16,389	**21,745**	22,037	**(8,854)**	(10,331)	**37,141**	28,095

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

34. Segment information (Continued)

Notes

A Inter-segment transactions are eliminated on consolidation.

B EBITDA: Earnings before interest expense, interest income, tax, depreciation, amortisation and impairment losses.

C Additions to non-current assets consist of additions to intangible assets, property, plant and equipment and right-of-use assets.

35. Significant related party transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

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

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

35. Significant related party transactions (Continued)

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

Associates are related parties and include those that are associates of the holding and/or related companies. Many of the Group's and Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial year, other than those disclosed elsewhere in the financial statements, the Group had no significant transactions with related parties.

Significant transactions are entered with related parties and the effects of these transactions on the basis determined between the parties are reflected in these financial statements.

	Group	
	2022	**2021**
	S$'000	**S$'000**
Directors:		
Directors' fees of the Company	**223**	233
Directors' fees of listed subsidiary	**102**	102
Directors' remuneration	**236**	3,793
Defined contribution plans	**15**	22
Other key executive officers:		
Short-term employee benefits	**845**	2,092
Defined contribution plans	**19**	74
Related parties:		
Corporate cost recovery	**170**	170
Interest income	**273**	192
Rental expenses	**–**	(167)
Utilities expenses	**–**	(11)
Shareholder:		
Remuneration paid to a shareholder of the Company who is not a director	**–**	435
Defined contribution plans	**–**	26
Consultancy services	**38**	–
Transactions with directors or key executive officers:		
Fee paid to director of the Company for consultancy services	**–**	40
Fee paid to director of listed subsidiaries for consultancy services	**40**	–
Fee paid to key executive officer of the Company for consultancy services	**–**	57

Related party refers to the company in which the Company's Chairman and Chief Executive Officer holds a key executive position and has 5% equity interest, as well as associates.

36. Commitments

(a) Financial support

The Company has agreed to provide financial support to a subsidiary to meet its liabilities as and when they fall due and to not recall loan due from it for twelve months from the date of issuance of the subsidiary's financial statements.

(b) Guarantees

The Company, under the previous Board of Directors, has given corporate guarantees of S$47,000 (2021: S$94,000) to financial institutions in connection with banking facilities certain subsidiaries.

37. Financial instruments and financial risk

	Group		Company	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
		(Restated)		**(Restated)**
Financial assets				
Trade receivables	**12,900**	11,027	**–**	–
Other receivables (excluding tax recoverable)	**754**	737	**106**	10
Amounts due from subsidiaries	**–**	–	**1,513**	77
Amounts due from associates	**3,089**	3,479	**2,801**	3,179
Cash and bank balances	**25,875**	23,849	**1,456**	1,390
Financial assets at amortised cost	**42,618**	39,092	**5,876**	4,656
Financial liabilities				
Long term payables	**2,412**	2,530	**–**	–
Loans and borrowings	**11,945**	3,053	**–**	–
Lease liabilities	**1,499**	2,448	**30**	70
Trade payables and accruals	**10,721**	13,396	**1,175**	3,573
Other payables	**9,683**	5,618	**293**	356
Amounts due to subsidiaries	**–**	–	**7,307**	9,700
Financial liabilities at amortised cost	**36,260**	27,045	**8,805**	13,699

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. Financial instruments and financial risk (Continued)

The Group's activities expose it to credit risk, market risks (including interest rate risk and foreign currency risk) and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises mainly from bank balances, trade and other receivables and other debt instruments carried at amortised cost. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risk, the Group categorises the aforementioned financial assets and contract assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, and/or where contractual payments are 90 days past due as per SFRS(I) 9's presumption.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

37. Financial instruments and financial risk (Continued)

Credit risk (Continued)

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risk[Note 1]	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition[Note 2] or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired[Note 3]	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount[Note 4]	Written off

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. Financial instruments and financial risk (Continued)

Credit risk (Continued)

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information.

Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc.) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are > 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

37. Financial instruments and financial risk (Continued)

Credit risk (Continued)

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cash flows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

During the financial year ended 31 December 2022, the Group wrote off S$17,000 (2021: S$Nil) of other receivables, of which S$Nil (2021: S$Nil) was written off and recognised in the profit or loss during the year. The amounts were non-trade receivables from third parties which have been outstanding for at least 7 years and are not secured. In consideration of the aforementioned factors and the financial ability of the debtors, the Group assessed there is no reasonable expectation of recovery.

During the financial year ended 31 December 2022, the Group wrote off S$Nil (2021: S$6,000) of amounts due from associates, of which S$Nil (2021: S$Nil) was written off and recognised in the profit or loss during the year. The amounts were non-trade receivables from associates which has been outstanding for at least 7 years and are not secured. In consideration of the aforementioned factors and the financial ability of the debtors, the Group assessed there is no reasonable expectation of recovery.

During the financial year ended 31 December 2022, the Group wrote off S$6,000 (2021: S$Nil) of amount due from a related company, of which S$Nil (2021: S$Nil) was written off and recognised in the profit or loss during the year. The amounts were non-trade receivables from a related company which has been outstanding for at least 7 years and are not secured. In consideration of the aforementioned factors and the financial ability of the debtors, the Group assessed there is no reasonable expectation of recovery.

With reference to Note 36, the Company provides financial guarantees to a bank in respect of bank facilities granted to certain subsidiaries. The date when the Group becomes a committed party to the guarantee is considered to be the date of initial recognition for the purpose of assessing the financial asset for impairment. In determining whether there has been a significant risk of a default occurring on the drawn-down facilities, the Group considered the change in the risk that the specified debtor (i.e. the applicable subsidiaries) will default on the contract. The Company assessed that the credit risk relating to the financial guarantees is insignificant to the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. Financial instruments and financial risk (Continued)

Credit risk (Continued)

Note 4. Write off (Continued)

The Group does not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

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 (Note 17)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables and accrued revenue, where the loss allowance is equal to lifetime ECL.

The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, adjusted for forward looking factors, specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses and estimates, for example, the gross domestic production growth rates of the countries (i.e. Singapore, PRC and Philippines) and the growth rates of the major industries in which its customers operate.

Trade receivables and accrued revenue are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. Financial instruments and financial risk (Continued)

Credit risk (Continued)

Trade receivables (Note 17) (Continued)

The loss allowance for trade receivables are determined as follows:

	Current S$'000	1 to 30 days past due S$'000	31 to 60 days past due S$'000	61 to 90 days past due S$'000	More than 90 days past due S$'000	Total S$'000
2022						
Expected credit loss rates	**> 0%**	**0%**	**0%**	**0%**	**49.8%**	
Total gross carrying amount	**10,244**	**1,923**	**489**	**143**	**203**	**13,002**
Loss allowance	**1**	**–**	**–**	**–**	**101**	**102**
2021						
Expected credit loss rates	> 0%	0%	0%	0%	44.2%	
Total gross carrying amount	7,830	2,855	348	71	260	11,364
Loss allowance	222	–	–	–	115	337

Other receivables (Note 18)

As of 31 December 2022, the Group recorded other receivables of S$902,000 (2021: S$896,000) consequent to an extension of loans to third parties. Other than the credit-impaired receivable classified under category 4, the Group assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of these third parties, the Group considered amongst other factors, the financial position of the third parties as of 31 December 2022, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the third parties operate in and significant macro-economic factors, where applicable. Using 12-month ECL, the Group determined that the ECL is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. Financial instruments and financial risk (Continued)

Credit risk (Continued)

Amounts due from subsidiaries (Note 19)

As of 31 December 2022, the Company recorded amounts due from subsidiaries of S$1,513,000 (2021: S$77,000) consequent to an extension of loans to subsidiaries. Other than the credit-impaired receivable classified under category 4, the Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of these subsidiaries, the Company considered amongst other factors, the financial position of the subsidiaries as of 31 December 2022, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the subsidiaries operate in and significant macro-economic factors, where applicable. Using a 12-month ECL, the Company determined that the ECL is insignificant.

Amounts due from associates (Note 20)

As of 31 December 2022, the Group and Company recorded amounts due from associates of S$3,089,000 (2021: S$3,479,000) and S$2,801,000 (2021: S$3,179,000) mainly consequent to an extension of loans to associates. Other than the credit-impaired receivable classified under category 4, the Group and Company assessed the impairment loss allowance of these amounts using an unbiased and probability-weighted amount by evaluating a range of possible outcomes. In its assessment of the credit risk of these associates, the Group and Company considered amongst other factors, the financial position of the associates as of 31 December 2022, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the associates operate in and significant macro-economic factors, where applicable.

Amount due from a related company (Note 21)

As of 31 December 2022, the Group recorded amount due from a related company of S$Nil (2021: S$Nil) consequent to an extension of loans to a related company. The Group assessed the impairment loss allowance of this amount and have concluded that this amount is credit impaired. In its assessment of the credit risk of this related company, the Group considered amongst other factors, the financial position of the related company as of 31 December 2022, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the related company operate in and significant macro-economic factors, where applicable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. Financial instruments and financial risk (Continued)

Credit risk (Continued)

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of the trade receivables, other receivables, amounts due from associates and amounts due from related company are as follows:

Group	**Trade receivables**		**Other receivables**			
Internal credit risk grading	**Note (i)**	**Total**	**Category 1**	**Category 4**	**Category 5**	**Total**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Loss allowance						
At 1 January 2021	93	93	46	3,458	–	3,504
Currency realignment	5	5	–	(189)	–	(189)
Net remeasurement of loss allowance	239	239	–	116	–	116
At 31 December 2021	337	337	46	3,385	–	3,431
Currency realignment	(27)	(27)	–	(99)	–	(99)
Written back of loss allowance	(208)	(208)	(8)	–	–	(8)
Reclassification between categories	–	–	(17)	–	17	–
Write-off of receivables	–	–	–	–	(17)	(17)
At 31 December 2022	**102**	**102**	**21**	**3,286**	**–**	**3,307**
Gross carrying amount						
At 31 December 2021	11,364	11,364	942	3,385	–	4,327
At 31 December 2022	**13,002**	**13,002**	**923**	**3,286**	**–**	**4,209**
Net carrying amount						
At 31 December 2021	11,027	11,027	896	–	–	896
At 31 December 2022	**12,900**	**12,900**	**902**	**–**	**–**	**902**

Note (i): For trade receivables and accrued revenue, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. Financial instruments and financial risk (Continued)

Credit risk (Continued)

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of the trade receivables, other receivables, amounts due from associates and amounts due from related company are as follows (Continued):

Group	**Amounts due from associates**				**Amount due from a related company**		
Internal credit risk grading	**Category 3 S$'000**	**Category 4 S$'000**	**Category 5 S$'000**	**Total S$'000**	**Category 4 S$'000**	**Category 5 S$'000**	**Total S$'000**
Loss allowance							
At 1 January 2021 (Restated)	3,534	2,373	–	5,907	971	–	971
Currency realignment	30	–	–	30	52	–	52
Net remeasurement of loss allowance	3,964	–	–	3,964	(185)	–	(185)
Reclassification between categories	(6)	–	6	–	–	–	–
Write-off of receivables	–	–	(6)	(6)	–	–	–
At 31 December 2021 (Restated)	7,522	2,373	–	9,895	838	–	838
Currency realignment	(35)	–	–	(35)	–	–	–
Net remeasurement of loss allowance	845	–	–	845	–	–	–
Reclassification between categories	–	–	–	–	(6)	6	–
Write-off of receivables	–	–	–	–	–	(6)	(6)
At 31 December 2022	**8,332**	**2,373**	**–**	**10,705**	**832**	**–**	**832**
Gross carrying amount							
At 31 December 2021	11,001	2,373	–	13,374	838	–	838
At 31 December 2022	**11,421**	**2,373**	**–**	**13,794**	**832**	**–**	**832**
Net carrying amount							
At 31 December 2021 (Restated)	3,479	–	–	3,479	–	–	–
At 31 December 2022	**3,089**	**–**	**–**	**3,089**	**–**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. Financial instruments and financial risk (Continued)

Credit risk (Continued)

The movement in the loss allowance during the financial year and the Company's exposure to credit risk in respect of the amounts due from subsidiaries and associate are as follows:

Company	**Amounts due from subsidiaries**				**Amounts due from associates**	
Internal credit risk grading	**Category 1 S$'000**	**Category 4 S$'000**	**Category 5 S$'000**	**Total S$'000**	**Category 3 S$'000**	**Total S$'000**
Loss allowance						
At 1 January 2021 (Restated)	–	69,808	–	69,808	5,551	5,551
Net remeasurement of loss allowance	–	13,127	–	13,127	767	767
Reclassification between categories	–	(8,870)	8,870	–	–	–
Write-off of receivables	–	–	(8,870)	(8,870)	–	–
At 31 December 2021 (Restated)	–	74,065	–	74,065	6,318	6,318
Net remeasurement of loss allowance	–	–	–	–	843	843
Reclassification between categories	–	(8,850)	8,850	–	–	–
Write-off of receivables	–	–	(8,850)	(8,850)	–	–
At 31 December 2022	**–**	**65,215**	**–**	**65,215**	**7,161**	**7,161**
Gross carrying amount						
At 31 December 2021	77	74,065	–	74,142	9,497	9,497
At 31 December 2022	1,513	65,215	–	66,728	9,962	9,962
Net carrying amount						
At 31 December 2021 (Restated)	77	–	–	77	3,179	3,179
At 31 December 2022	**1,513**	**–**	**–**	**1,513**	**2,801**	**2,801**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. Financial instruments and financial risk (Continued)

Market risks

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

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 and the Company's exposure to interest rate risk arises primarily from their loans and borrowings and interest-bearing loans given to related parties. The Company's loans at floating rate given to related parties form a natural hedge for its floating rate bank loan. All of the Group's and the Company's financial liabilities at floating rates are contractually repriced at intervals of less than 3 months (2021: less than 3 months) from the end of the reporting period.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 75 (2021: 75) basis points lower/higher with all other variables held constant, the Group's profit/(loss) before tax would have been S$90,000 lower/higher (2021: S$23,000 lower/higher), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

Foreign currency risk

The Group is exposed to foreign exchange risk on sales, purchases, trade and other receivables, cash and bank balances, trade and other payables, and bank borrowings that are denominated in currencies other than the functional currencies of the respective entities in the Group. The currencies giving rise to this risk are primarily the United States dollar ("USD"), Chinese renminbi ("RMB") and Philippine Peso ("PHP").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. Financial instruments and financial risk (Continued)

Market risks (Continued)

Foreign currency risk (Continued)

The Group's exposures to foreign currency are as follows:

	2022			2021		
	USD	**RMB**	**PHP**	**USD**	**RMB**	**PHP**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Monetary assets:						
Trade receivables	**7,748**	**1,569**	**1,041**	7,842	422	579
Other receivables	**262**	**58**	**233**	201	188	207
Cash and bank balances	**15,786**	**3,885**	**2,267**	11,572	5,228	1,779
	23,796	**5,512**	**3,541**	19,615	5,838	2,565
Monetary liabilities:						
Long term payables	**2,412**	**–**	**–**	2,530	–	–
Loans and borrowings	**9,844**	**–**	**2,101**	502	–	2,551
Lease liabilities	**804**	**188**	**–**	1,551	162	–
Trade payables and accruals	**3,608**	**2,302**	**689**	3,927	2,561	255
Other payables	**266**	**2,303**	**5,971**	243	2,740	1,832
	16,934	**4,793**	**8,761**	8,753	5,463	4,638
Net monetary assets/(liabilities)	**6,862**	**719**	**(5,220)**	10,862	375	(2,073)
Less:						
Currency exposure of those denominated in the respective entity's functional currency	**(6,724)**	**(4,956)**	**–**	(9,467)	(5,195)	–
Currency exposure of monetary assets/(liabilities) net of those denominated in the respective entity's functional currency	**138**	**(4,237)**	**(5,220)**	1,395	(4,820)	(2,073)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. Financial instruments and financial risk (Continued)

Market risks (Continued)

Foreign currency risk (Continued)

Foreign currency sensitivity analysis

At 31 December 2022, it is estimated that a five percentage point weakening of foreign currencies against the functional currency of respective entities, with all variables held constant, would decrease the Group's post-tax profit by approximately S$387,000 (2021: decrease by S$228,000). A five percentage point strengthening of foreign currencies against the functional currency, with all variables held constant, would have an equal but opposite effect. 5% is the sensitivity rate used when reporting foreign currency risks internally to key management personnel and represents management's assessment of the possible changes in foreign exchange rate.

If the following foreign currencies strengthen by 5% (2021: 5%) against the functional currency of each Group entity, profit or loss will increase/(decrease) by:

	Profit/(Loss) before income tax	
	2022	**2021**
	S$'000	**S$'000**
USD	**7**	70
RMB	**(212)**	(241)
PHP	**(261)**	(104)

Liquidity risk

Liquidity risk refers to the risk in which the Group is unable to meet its short-term obligations. Liquidity risk is managed by matching the payments and receipts cycle.

The Group monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. Financial instruments and financial risk (Continued)

Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities

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

	Effective interest %	Less than 1 year S$'000	1 to 5 years S$'000	Over 5 years S$'000	Total S$'000
Group					
2022					
Financial assets					
Cash at bank and on hand	0.002 – 0.163	25,875	–	–	25,875
Trade receivables	–	12,900	–	–	12,900
Other receivables (excluding tax recoverable)	–	715	39	–	754
Amount due from associates	1.99 – 4.63	628	3,184	–	3,812
Total undiscounted financial assets		40,118	3,223	–	43,341
Financial liabilities					
Trade payables and accruals	–	10,721	–	–	10,721
Other payables (excluding advances)	–	7,165	–	–	7,165
Lease liabilities	1.02 – 4.38	711	919	–	1,630
Long term payables	8.00	–	1,378	1,117	2,495
Loans and borrowings	4.31 – 8.17	2,310	10,632	–	12,942
Total undiscounted financial liabilities		20,907	12,929	1,117	34,953
Total net undiscounted financial assets/(liabilities)		19,211	(9,706)	(1,117)	8,388

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. Financial instruments and financial risk (Continued)

Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations: (Continued)

	Effective interest %	Less than 1 year S$'000	1 to 5 years S$'000	Over 5 years S$'000	Total S$'000
2021					
Financial assets					
Cash at bank and on hand	0.002 – 0.015	23,849	–	–	23,849
Trade receivables	–	11,027	–	–	11,027
Other receivables (excluding tax recoverable)	–	694	43	–	737
Amount due from associates (Restated)	3.00 – 3.03	1,027	2,452	–	3,479
Total undiscounted financial assets		36,597	2,495	–	39,092
Financial liabilities					
Trade payables and accruals	–	13,396	–	–	13,396
Other payables (excluding advances received)	–	2,854	–	–	2,854
Lease liabilities	1.02 – 4.38	1,280	1,336	–	2,616
Long term payables	8.00	–	1,489	1,124	2,613
Loans and borrowings	4.31 – 6.25	2,701	524	–	3,225
Total undiscounted financial liabilities		20,231	3,349	1,124	24,704
Total net undiscounted financial assets/(liabilities)		16,366	(854)	(1,124)	14,388

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. Financial instruments and financial risk (Continued)

Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations (Continued):

	Effective interest %	Less than 1 year S$'000	1 to 5 years S$'000	Over 5 years S$'000	Total S$'000
Company					
2022					
Financial assets					
Cash at bank and on hand	–	**1,456**	–	–	**1,456**
Other receivables	–	**106**	–	–	**106**
Amounts due from subsidiaries	–	**1,513**	–	–	**1,513**
Amounts due from associates	**1.99 – 4.63**	**340**	**3,184**	–	**3,524**
Total undiscounted financial assets		**3,415**	**3,184**	–	**6,599**
Financial liabilities					
Trade payables and accruals	–	**1,175**	–	–	**1,175**
Other payables	–	**293**	–	–	**293**
Lease liabilities	**1.02 – 4.38**	**30**	–	–	**30**
Amounts due to subsidiaries	–	**7,307**	–	–	**7,307**
Maximum amount of financial guarantee	–	**37**	–	–	**37**
Total undiscounted financial liabilities		**8,842**	–	–	**8,842**
Total net undiscounted financial (liabilities)/ assets		**(5,427)**	**3,184**	–	**(2,243)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. Financial instruments and financial risk (Continued)

Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations (Continued):

	Effective interest %	Less than 1 year S$'000	1 to 5 years S$'000	Over 5 years S$'000	Total S$'000
2021					
Financial assets					
Cash at bank and on hand	–	1,390	–	–	1,390
Other receivables	–	10	–	–	10
Amounts due from subsidiaries	–	77	–	–	77
Amounts due from associates (Restated)	3.00 – 3.03	–	3,000	2,682	5,682
Total undiscounted financial assets		1,477	3,000	2,682	7,159
Financial liabilities					
Trade payables and accruals	–	3,573	–	–	3,573
Other payables	–	356	–	–	356
Lease liabilities	1.02 – 4.38	40	30	–	70
Amounts due to subsidiaries	–	9,700	–	–	9,700
Maximum amount of financial guarantee	–	94	–	–	94
Total undiscounted financial liabilities		13,763	30	–	13,793
Total net undiscounted financial (liabilities)/ assets		(12,286)	2,970	2,682	(6,634)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

38. Fair value of assets and liabilities

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs 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.

There has been no transfer between Level 1 and Level 2 and no transfers into or out of Level 3 during the financial years ended 2022 and 2021.

Assets and liabilities measured at fair value

Investment securities are measured at fair value in 2022 and 2021.

Assets and liabilities not carried at fair value, for which fair value is disclosed

Determination of fair value

Management has determined that the carrying amounts of loans and borrowings based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

	Fair value measurements at the end of the reporting period using			
	(Level 1) S$'000	**(Level 2) S$'000**	**Total S$'000**	**Carrying amount S$'000**
Company				
2022				
Assets				
Associates:				
– Quoted shares	**5,801**	**–**	**5,801**	**5,801**
2021				
Assets				
Associates:				
– Quoted shares	5,801	–	5,801	5,801

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

39. Capital management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in objectives, policies and processes during the years ended 31 December 2022 and 31 December 2021.

	2022	**2021**	**1 January 2021**
	S$'000	**S$'000**	**S$'000**
		(Restated)	**(Restated)**
Loans and borrowings	**11,945**	3,053	3,173
Trade payables and accruals	**10,721**	13,396	11,556
Other payables	**9,683**	5,618	7,039
Lease liabilities	**1,499**	2,448	1,832
Long term payables	**2,412**	2,530	2,665
Less: Cash and short-term deposits	**(25,875)**	(23,849)	(28,917)
Net debt	**10,385**	3,196	(2,652)
Equity attributable to owners of the Company	**63,545**	59,294	70,609
Capital and net debt	**73,930**	62,490	67,957
Gearing ratio	**14%**	5%	(4%)

40. Contingencies

(i) ASTI Management Incentive Scheme ("AMIS")

On 14 August 2020, the previous Board of Directors approved the management incentive scheme of the ASTI Group ("AMIS"). This was to incentivise and reward key management personnel as they strove to improve overall performance of the Group and bring the Group out of the financial watch-list.

For every dollar of increase in income or reduction in expense or cost resulting in lower losses before tax or increase in profit before tax calculated against profit before tax of the previous financial year, 25% thereof will be declared to the key management as variable bonus. All calculations will be based on audited accounts of the Group for the relevant financial years. The AMIS will be in force for financial year 2020 up to and including financial year 2024 (the "Term").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

40. Contingencies (Continued)

(i) ASTI Management Incentive Scheme ("AMIS") (Continued)

The variable bonus due under AMIS for each financial year will be accrued and will be paid once ASTI Group reaches profitability unless the Board determines that such payment will be detrimental to the cash flows of the Group. Management has assessed that the profitability criterion is not met and thus such bonuses were not accrued or paid during the year and previous year.

For any financial year within the Term where the change in profit before tax is negative, the Board of Directors reserves the right to claw back any of the variable bonus paid to key management in the previous financial year. The claw back of the bonus paid in the previous financial year is subject to a limit equal up to the quantum of the change in the profit before tax for the financial year that is negative or quantum paid in the previous financial year, whichever is lower.

On 11 August 2023, the previous Board of Directors had approved the termination of the AMIS. Hence, no AMIS bonus will be payable.

(ii) Legal matter relating to claim made by consultant

On 13 May 2024, WER1 Consultants Pte Ltd ("WER1"), through their lawyers, issued a letter for demand for S$37,668 against the Company. WER1 claimed that the sum was due under an Investor Relations & Communications Consultancy Services Agreement. The Company has responded to WER1 to raise queries in respect of the claim.

Management, together with their lawyer, have assessed the facts and circumstances of the claim and is of the view that the claim is unlikely to be successful, and has determined that it is possible, but not probable, that the claim will succeed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41. Events occurring after the reporting period

(i) Subsequent to the financial year ended 31 December 2022, the Company declared tax-exempt one-tier interim dividend of S$0.0045 per ordinary share of the Company totalling approximately S$2,946,000 in the respect of the financial year ended 31 December 2022.

The dividend amount is fully paid out to the shareholders on 5 May 2023.

(ii) On 6 June 2023, the Company, under the previous Board of Directors and management, had entered into a second addendum in relation to the Loan Agreement with ASA dated 31 December 2020 and Addendum to the Loan Agreement dated 8 April 2022.

Under the second Addendum, the Company and ASA had agreed, inter alia, that the outstanding sums (including accrued interest thereon) is payable on demand and the ASA is obligated to repay the loan (including accrued interest thereon) in the following tranches:

(a) A sum equivalent to S$1 million to be payable on 31 July 2024;

(b) A sum equivalent to S$1 million to be payable on 31 July 2025;

(c) A sum equivalent to S$2 million to be payable on 31 July 2026;

(d) A sum equivalent to S$2 million to be payable on 31 July 2027;

(e) A sum equivalent to S$2 million to be payable on 31 July 2028; and

(f) The balance sum outstanding under the Facility (inclusive of any interest that has accrued) shall be paid on 31 July 2029.

(iii) Subsequent to the financial year end 31 December 2022 and as of the date of this report, the Group, under the new Board of Directors and management, demanded certain payments due from ASA, and in total, collected S$2.2 million of the amounts due from ASA.

(iv) On 15 and 16 January 2024, pursuant to board resolutions passed, Mr. Ng Yew Nam, Mr. Soh Pock Kheng, Mr. Raymond Lam Kuo Wei, Mr. Chow Wai San and Mr. Yap Alvin Tsok Sein have been appointed as Directors of the Company ("New Directors") following the resignation of Mr. Charlie Jangvijitkul, Dato' Sri Mohd Sopiyan B Mohd Rashdi, Mr. Anthony Loh and Mr. Theerachai Leenabanchong. On 15 January 2024, Mr. Anthony Loh, the Chief Financial Officer and Acting Chief Executive Officer of the Company also voluntarily resigned from his employment. Following the appointments of the New Directors, the Board of Directors and the Board Committees of the Company have reconstituted with effect from 16 January 2024.

41. Events occurring after the reporting period (Continued)

(v) Subsequent to the allotment of conversion shares and the completion of proposed acquisition announced by ASA on 25 July 2024, 26 July 2024, 2 August 2024 and 5 August 2024, the Company's interest in ASA has been diluted below 20%. At the date of authorisation of these financial statements, the Group has not completed its assessment of the potential impact of this dilution on its financial statements.

(vi) On 13 August 2024, the Board of Directors of DGI, a 40.98% owned subsidiary of the Company, announced that DGI had passed a board resolution to proceed with a creditors' voluntarily liquidation pursuant to Section 160(1)(b) of the Insolvency, Restructuring and Dissolution Act of 2018 (No. 40 of 2018). DGI has appointed provisional liquidators and will be convening an extraordinary general meeting of its members as well as a meeting of creditors in due course.

Consequently, DGI Group would be considered as a discontinued operations and the entire investment would be accounted for in accordance with SFRS(I) 5. At the date of authorisation of these financial statements, the Group has not completed its assessment of the potential impact of this liquidation on its financial statements.

On 23 August 2024, DGI received a notification from the Singapore Exchange Regulation Pte. Ltd. informing that DGI shares will be delisted from the Official List of the Singapore Exchange Securities Trading Limited with effect from 9 September 2024.

42. Prior year adjustments

Pursuant to queries from the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") pertaining to the audited financial statements of the Group for financial year ended 31 December 2021, the management, which was reconstituted as mentioned in Note 41(iv), has made certain changes to judgments in responding to the queries from ACRA. Accordingly, certain restatements have been made to the prior years' financial statements at the Group and Company as follow:

(a) Consequent to an assessment of impairment of the Group's investment in EoCell, management has restated the Group's figures for the financial year ended 31 December 2021 to fully impair the investment in EoCell; and

(b) In accordance with SFRS(I) 9, management has restated the Group's and Company's amount to measure the ECL of the amount due from ASA using a probability-weighted basis that is determined by evaluating a range of possible outcomes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. Prior year adjustments (Continued)

As a result, comparative figures as of 31 December 2021 and 1 January 2021 for the Group's and the Company's statements of financial position, and consolidated statement of profit or loss and other comprehensive income have been adjusted as follow:

	Amount as previously reported	Adjustments		Amount as restated
		From (a)	From (b)	
	S$'000	S$'000	S$'000	S$'000
Company				
As at 1 January 2021				
Statement of financial position				
Non-current asset				
Amounts due from associates	–	–	1,790	1,790
Current asset				
Amounts due from associates	7,913	–	(7,341)	572
Equity				
Accumulated losses	(97,844)	–	(5,551)	(103,395)
As at 31 December 2021				
Statement of financial position				
Non-current asset				
Amounts due from associates	5,580	–	(3,584)	1,996
Current asset				
Amounts due from associates	–	–	1,183	1,183
Equity				
Accumulated losses	(117,608)	–	(2,401)	(120,009)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. Prior year adjustments (Continued)

As a result, comparative figures as of 31 December 2021 and 1 January 2021 for the Group's and the Company's statements of financial position, and consolidated statement of profit or loss and other comprehensive income have been adjusted as follow (Continued):

	Amount as previously reported	Adjustments		Amount as restated
		From (a)	From (b)	
	S$'000	S$'000	S$'000	S$'000
Group				
As at 1 January 2021				
Statement of financial position				
Non-current asset				
Amounts due from associates	–	–	1,790	1,790
Current asset				
Amounts due from associates	7,845	–	(6,952)	893
Equity				
Accumulated losses	(44,218)	–	(5,162)	(49,380)
As at 31 December 2021				
Statement of financial position				
Non-current asset				
Amounts due from associates	5,580	–	(3,584)	1,996
Investment in associates	19,788	(17,922)	–	1,866
Current asset				
Amounts due from associates	17	–	1,466	1,483
Equity				
Accumulated losses	(51,508)	(7,277)	(2,118)	(60,903)
Foreign currency translation reserve	614	(68)	–	546
Non-controlling interest	(8,051)	(10,577)	–	(18,628)
Statement of profit or loss and other comprehensive income				
Other (expenses)/income, net	(6,241)	(17,756)	3,044	(20,953)
Foreign currency translation	(87)	(166)	–	(253)

STATISTICS OF SHAREHOLDINGS

As at 2 September 2024

Number of Equity Securities	:	654,731,486
Class of Equity Securities	:	Ordinary shares (excludes treasury shares)
Voting Rights	:	One vote per share (excludes treasury shares)
Number of Treasury Shares	:	27,234,855

The percentage of treasury shares against equity securities is 4.16%.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	19	0.48	582	0.00
100 – 1000	513	13.03	466,996	0.07
1,001 – 10,000	1,438	36.53	7,797,569	1.19
10,001 – 1,000,000	1,921	48.79	187,066,429	28.57
1,000,001 and above	46	1.17	459,399,910	70.17
Total	**3,937**	**100.00**	**654,731,486**	**100.00**

TWENTY LARGEST SHAREHOLDERS

S/No	Name	No. of Shares	%
1.	LOH SOON GNEE	130,209,600	19.89
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	62,712,300	9.58
3.	SOH POCK KHENG	57,859,000	8.84
4.	NG YEW NAM	45,171,700	6.90
5.	RAFFLES NOMINEES (PTE.) LIMITED	16,462,900	2.51
6.	DBS NOMINEES (PRIVATE) LIMITED	14,362,900	2.19
7.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	12,624,100	1.93
8.	LIM CHEE SAN	12,000,000	1.83
9.	HSBC (SINGAPORE) NOMINEES PTE LTD	9,066,000	1.38
10.	TOH CHENG HAI	8,350,000	1.28
11.	UOB KAY HIAN PRIVATE LIMITED	7,703,800	1.18
12.	PHILLIP SECURITIES PTE LTD	7,263,380	1.11
13.	TAN NGOK PENG	6,600,000	1.01
14.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	4,741,300	0.72
15.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,943,600	0.61
16.	LIM AH KAW @ LIM LAN CHING	3,701,400	0.57
17.	OCBC SECURITIES PRIVATE LIMITED	3,559,900	0.54
18.	NG KOK HIAN	3,464,200	0.53
19.	JEANETTE KOH CHEW TEE	3,444,900	0.53
20.	LEOW GEOK YEW (LIAO YUYOU)	2,780,000	0.42
	Total	**416,020,980**	**63.54**

STATISTICS OF SHAREHOLDINGS

As at 2 September 2024

SUBSTANTIAL SHAREHOLDERS (As recorded in the Register of Substantial Shareholders)

	Direct Interest	%*	Deemed Interest	%*	Total %*
Loh Soon Gnee[1]	130,209,600	19.89	–	–	19.89
Soh Pock Kheng[2]	57,859,000	8.84	29,996,000	4.58	13.42
Ng Yew Nam[3]	45,171,700	6.90	31,326,900	4.78	11.68
Heah Theare Haw[4]	–	–	41,484,000	6.34	6.34

1 On 8 February 2023, Loh Soon Gnee had entered into a share purchase agreement with Capital Engineering Network Public Company ("CEN") for the disposal of his entire shareholding in ASTI, subject to (i) the approval from CEN's shareholders which had been obtained at its extraordinary general meeting on 15 March 2023; and (ii) approval from SGX-ST pursuant to Rule 729 of the Listing Manual. Pursuant to Section 7 of the Companies Act 1967, CEN has a deemed interest in these shares held by Loh Soon Gnee.

2 Deemed interested in 29,996,000 shares held by nominees.

3 On 7 February 2023, Ng Yew Nam entered into share sale and purchase agreements with (i) Lim Chee San, (ii) Koh Wan Tiong and (iii) Tay Yam Sheng, Eric in respect of an aggregate of 13,644,000 ordinary shares in the Company. On 20 February 2023, Ng Yew Nam had entered into sale and purchase agreements with (i) Ng Kok Hian, (ii) Chow Yew Kwan, (iii) Leow Geok Yew, (iv) Tan Ngok Peng, (v) Tan Kooi Jin and (vi) Ling Chui Chui in respect of an aggregate of 17,032,900 ordinary shares in the Company. On 24 February 2023, Ng Yew Nam had entered into sale and purchase agreements with (i) Fiona Soh Siok Lan 350,000 and (ii) Tony Yang Chin Tuan 300,000 in respect of an aggregate of 650,000 ordinary shares in the Company. Pursuant to Section 7 of the Companies Act 1967, Ng Yew Nam has a deemed interest in these shares held by the aforementioned sellers.

4 Deemed interested in 41,484,000 shares held by nominees.

* Percentage shareholding is computed based on 654,731,486 ordinary shares (excluding 27,234,855 treasury shares) in the capital of the Company.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

Approximately 48.67% of the issued share capital of the Company was held by the public. Accordingly, the Company has complied with Rule 723 of the SGX-ST Listing Manual.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting for the financial year ended 31 December 2022 ("**AGM**") of ASTI Holdings Limited (the "**Company**") will be convened and held at **CSUITES, Studio 2 and 3, 2 Tanjong Katong Road #05-01, PLQ3, Paya Lebar Quarter, Singapore 437161** on **Monday, 30 September 2024 at 2:00 p.m.** for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$223,295 to the former Directors of the Company for the financial year ended 31 December 2022. **(Resolution 2)**
(See Explanatory Note 1)

3. To approve the payment of Directors' fees of S$252,000 to the current Directors of the Company for the financial year ending 31 December 2024. **(Resolution 3)**
(See Explanatory Note 2)

4. To re-elect Mr Yap Alvin Tsok Sein, who is retiring pursuant to Regulation 88 of the Company's Constitution, and who, being eligible, offers himself for re-election as a Director of the Company. **(Resolution 4)**
(See Explanatory Note 3)

5. To re-elect Mr Raymond Lam Kuo Wei, who is retiring pursuant to Regulation 88 of the Company's Constitution, and who, being eligible, offers himself for re-election as a Director of the Company. **(Resolution 5)**
(See Explanatory Note 4)

6. To re-elect Mr Soh Pock Kheng, who is retiring pursuant to Regulation 88 of the Company's Constitution, and who, being eligible, offers himself for re-election as a Director of the Company. **(Resolution 6)**
(See Explanatory Note 5)

7. To re-elect Mr Ng Yew Nam, who is retiring pursuant to Regulation 88 of the Company's Constitution, and who, being eligible, offers himself for re-election as a Director of the Company. **(Resolution 7)**
(See Explanatory Note 6)

8. To note the retirement of Mr Chow Wai San, who is retiring pursuant to Regulation 88 of the Company's Constitution, and has decided not to seek re-election as a Director of the Company.
(See Explanatory Note 7)

9. To re-appoint Messrs Forvis Mazars LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

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

10. Authority to allot and issue shares **(Resolution 9)**

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

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

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

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

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

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) 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 twenty per centum (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

NOTICE OF ANNUAL GENERAL MEETING

(2) (subject to such 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 percentage of issued Shares and Instruments (excluding treasury shares and subsidiary holdings) 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 any convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards, provided the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with 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 the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority 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.
(See Explanatory Note 8)

BY ORDER OF THE BOARD

Mr Ng Yew Nam
Executive Director & Chief Executive Officer

14 September 2024
Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. In the financial year ended 31 December 2023, the former Remuneration Committee had reviewed and confirmed and the Board of Directors at that time has approved and recommended the payment of Directors' fee amounting to S$223,295 for the financial year ended 31 December 2022 ("**FY2022**"), which was intended to be tabled at the Company's AGM for FY2022. The current Remuneration Committee and current Board do not have sufficient details or the rationale for how the Directors' fees for FY2022 were assessed and derived and accordingly, cannot make any recommendations for the approval of the Directors' fees for FY2022.

   Ordinary Resolution 2 is to approve the payment of the Directors' fees for FY2022. If approved, the said Directors' fees will be payable to Dato' Michael Loh Soon Gnee, Dr Kriengsak Chareonwongsak, Dr Daniel Yeoh Ghee Chong, Dato' Sri Mohd Sopiyan B Mohd Rashdi, Dato' Ahmad Rasidi B Hazizi and Mr Anthony Low Sin Hock.

2. Ordinary Resolution 3 is to approve the payment of S$252,000 as Directors' fees to the current Directors of the Company for the financial year ending 31 December 2024. If approved, the sum of S$252,000 will be payable, quarterly in arrears, to the Independent Directors of the Company, namely, Mr Chow Wai San (on a pro-rata basis), Mr Yap Alvin Tsok Sein and Mr Raymond Lam Kuo Wei, for FY2024.

3. Mr Yap Alvin Tsok Sein will, upon re-election as a Director of the Company, remain as an Independent Non-executive Director, Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee of the Company. Mr Yap Alvin Tsok Sein is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

4. Mr Raymond Lam Kuo Wei will, upon re-election as a Director of the Company, remain as an Independent Non-executive Director, Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee of the Company. Mr Raymond Lam Kuo Wei is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

5. Mr Soh Pock Kheng will, upon re-election as a Director of the Company, remain as Executive Director and Chief Operating Officer of the Company.

6. Mr Ng Yew Nam will, upon re-election as a Director of the Company, remain as Executive Director and Chief Executive Officer of the Company.

   Key information on Mr Ng Yew Nam, Mr Soh Pock Kheng, Mr Yap Alvin Tsok Sein and Mr Raymond Lam Kuo Wei as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found under "Board of Directors and Key Management", "Corporate Governance Report" and "Appendix 1: Disclosure of Information on Directors Seeking Re-Election" of the Company's Annual Report 2022.

   To ensure compliance with the Companies Act and the Company's Constitution, in the event that none of the Directors are re-elected at the AGM, one Director shall have his retirement delayed until a new board is elected. The Companies' Act and the Company's Constitution does not prescribe a method to apply to choose whose retirement is delayed until a new board is elected. To ensure continuity of the Group's operations, Mr Ng Yew Nam shall have his retirement delayed until a new board is elected.

7. As requested by certain substantial shareholders of the Company, Mr Chow Wai San will not be seeking re-election and will retire as a Director of the Company at the conclusion of the AGM. Consequent thereto, Mr Chow Wai San will also cease to act as the Chairman of the Board, Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee of the Company. Further details on changes to the Board and Board Composition after the forthcoming AGM will be made by the Company in due course.

8. Ordinary Resolution 9, if passed, will empower the Directors of the Company, from the date of passing this Resolution until the conclusion of the next Annual General Meeting of the Company, to allot and 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, fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro-rata basis to shareholders. For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the date this Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and any subsequent bonus issue, consolidation or subdivision of Shares.

Notes:

1. Printed copies of this Notice of AGM and the instrument appointing a proxy or proxies (the "**Proxy Form**") will be sent to members by post. Copies of this Notice of AGM, the Proxy Form and the Annual Report 2022 are published on SGXNet at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.astigp.com.

2. A member of the Company (other than a Relevant Intermediary) entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her/its stead. A member shall specify the proportion of his/her/its shareholding to be represented by each proxy in the instrument appointing the proxies. 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/it (which number and class of shares shall be specified).

   "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore (the "**Companies Act**").

4. The Proxy Form, duly completed and signed, must either be submitted by (a) mail to ASTI HOLDINGS LIMITED, at 33 Ubi Avenue 3 #06-72 Vertex, Singapore 408868; or (b) email to gm@astigp.com not later than 2:00 p.m. on 27 September 2024 (being seventy-two (72) hours before the time set for the AGM).

NOTICE OF ANNUAL GENERAL MEETING

5. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal, executed as a deed in accordance with the Companies Act, or executed under the hand of its officer or attorney duly authorised. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form will be treated as invalid.

6. In relation to the appointment of proxy/proxies to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy/proxies should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instruction as to voting is given, the appointment of the proxy will be treated as invalid for the purposes of the AGM and each adjournment thereof.

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 with respect to the AGM, in accordance with Section 179 of the Companies Act and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

8. In the case of a member of the Company whose shares are entered against his/her/its name in the Depository Register, the Company may reject any Proxy Form if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

9. A member of the Company who holds his/her/its shares through a Relevant Intermediary (including members holding shares in the Company through the Central Provident Fund Investment Scheme ("**CPFIS Members**") or through the Supplementary Retirement Scheme ("**SRS Investors**")) and who wishes to exercise his/her/its votes can do so if his/her/its Relevant Intermediary (which includes the relevant Central Provident Fund agent bank ("**CPF Agent Bank**") or Supplementary Retirement Scheme operator ("**SRS Operator**")): (a) appoints the Chairman of the AGM as its proxy or (b) appoints the member as its proxy. Such member should approach his/her/its Relevant Intermediary to submit his/her/its voting instructions at least seven (7) working days prior to the date of the AGM (i.e. by 2:00 p.m. on 19 September 2024).

10. Members, appointed proxies and authorised representatives of corporate members are reminded to bring along his/her NRIC/passport when attending the AGM to enable the Company to verify your identity.

Submission of questions prior to the AGM

1. A member of the Company may submit questions relating to the resolutions to be tabled for approval at the AGM no later than 2:00 p.m. on 23 September 2024 either (a) by email to gm@astigp.com; or (b) by post to ASTI HOLDINGS LIMITED at 33 Ubi Avenue 3 #06-72 Vertex, Singapore 408868. The Company will endeavour to address substantial and relevant questions relating to the business of the AGM and will upload the Company's responses to the questions from shareholders on SGXNet and the Company's website by 26 September 2024. Where there are substantially similar questions, the Company may consolidate such questions; and consequently, not all questions may be individually addressed. If questions are received after the abovementioned deadline, the Company will endeavour to answer the questions during the AGM.

2. If the questions are sent to the Company without being accompanied by the completed and duly executed Proxy Form, the following details must be included with the submitted questions: (i) the member's full name; and (ii) his/her/its identification/registration number for verification purposes, failing which the submission will be treated as invalid.

Personal data privacy

By submitting a Proxy Form and/or appointing any representative(s) to attend, speak and vote at the AGM 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) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and for the Company (or its agents) 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), 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) 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.

ASTI HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199901514C)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT: PLEASE READ NOTES OVERLEAF

IMPORTANT

1. The Annual General Meeting for the financial year ended 31 December 2022 ("**AGM**") will be held in a wholly physical format. There will be no option for shareholders to participate virtually. Printed copies of the Notice of AGM dated 14 September 2024 and this Proxy Form will be sent by post to shareholders. Electronic copies may be accessed on SGXNet at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.astigp.com.
2. Relevant intermediaries (as defined in Section 181 of the Companies Act) may appoint more than two (2) proxies to attend, speak and vote at the AGM.
3. Investors who hold the Company's shares through relevant intermediaries (including CPF/SRS Investors) who wish to vote should approach their relevant intermediaries (including their respective CPF Agent Banks and SRS Operators) to submit their voting instructions at least seven (7) working days before the date of the AGM).
4. This Proxy Form is not valid for use by CPF/SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. Please read the Notice of AGM and the notes to this Proxy Form.

PERSONAL DATA PRIVACY: By submitting this Proxy Form, a member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 September 2024.

*I/We ______________________ (Name) ______________________ (*NRIC/Passport No./Company Registration No.)

of ____ (Address)

being *a member/members of **ASTI Holdings Limited** (the "**Company**"), hereby appoint:

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

*and/or

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

or failing him/her*, the Chairman of the AGM as my/our* proxy/proxies* to attend, speak and vote for me/us* on my/our* behalf at the AGM of the Company to be held at **CSUITES, Studio 2 and 3, 2 Tanjong Katong Road #05-01, PLQ3, Paya Lebar Quarter, Singapore 437161** on **30 September 2024** at **2:00 p.m.** and at any adjournment thereof.

I/We* direct my/our* proxy to vote for, against and/or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion on any matter arising at the AGM.

(Voting will be conducted by poll. If you wish to place all your votes as "For", "Against" or "Abstain", please indicate your vote with a tick [√] within relevant box below. Alternatively, please indicate the number of votes which you wish to place as "For", "Against" and/or "Abstain" in the relevant box(es) below.)

No.	Ordinary Resolution	For	Against	Abstain
1	Adoption of Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2022 together with the Auditors' Report thereon.			
2	Approval of payment of Directors' fees of S$223,295 to the former Directors of the Company for the financial year ended 31 December 2022.			
3	Approval of Directors' fees of S$252,000 to the current Directors of the Company for the financial year ending 31 December 2024.			
4	Re-election of Mr Yap Alvin Tsok Sein as a Director of the Company.			
5	Re-election of Mr Raymond Lam Kuo Wei as a Director of the Company.			
6	Re-election of Mr Soh Pock Kheng as a Director of the Company.			
7	Re-election of Mr Ng Yew Nam as a Director of the Company.			
8	Re-appointment of Messrs Forvis Mazars LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
9	Authority to allot and issue shares.			

Dated this ______ day of __________________ 2024

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

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

**Delete where inapplicable*

Notes to the Proxy Form

1. References to shares in this Proxy Form are to ordinary shares ("**Ordinary Shares**"). If you have Ordinary Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Ordinary Shares in the box provided next to CDP Register. If you have Ordinary Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Ordinary Shares in the box provided next to Register of Members. If you have both Ordinary Shares entered against your name in the Depository Register and Ordinary Shares registered in your name in the Register of Members, you should insert the number of Ordinary Shares entered against your name in the Depository Register and registered in your name in the Register of Members in the respective boxes. If no number is inserted, the instrument appointing a proxy shall be deemed to relate to all the Ordinary Shares held by you.

2. The Proxy Form, duly completed and signed, must either be submitted by (a) mail to ASTI Holdings Limited, at 33 Ubi Avenue 3 #06-72 Vertex, Singapore 408868; or (b) email to gm@astigp.com, not later than 2:00 p.m. on 27 September 2024 (being seventy-two (72) hours before the time set for the AGM).

3. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal, executed as a deed in accordance with the Companies Act, or under the hand of its officer or attorney duly authorised. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form shall be treated as invalid.

4. A member of the Company (other than a Relevant Intermediary) entitled to attend and vote at the AGM 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. A proxy need not be a member of the Company.

5. 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 must be specified).

6. Subject to note 9 of the Notice of AGM, the completion and return of the instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM 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 AGM.

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 with respect to the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore (the "**Companies Act**"), and the person so authorised shall upon production of a copy of such resolution certified by a Director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual, to the extent that such person is authorised to do so.

8. A member of the Company who holds his/her shares through a Relevant Intermediary (including CPFIS Members or SRS Investors) and who wishes to exercise his/her votes by appointing the Chairman of the AGM as proxy should approach his/her Relevant Intermediary (including his/her CPF Agent Bank or SRS Operators) to submit his/her voting instructions at least seven (7) working days prior to the date of the AGM (i.e. by 2:00 p.m. on 19 September 2024).

   "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy if it is incomplete, improperly completed or executed, 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. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

ASTI

33 Ubi Avenue 3
#06-72 Vertex
Singapore 408868