

POWERMATIC DATA SYSTEMS LIMITED

(Company Registration No. 198900414E)

(Incorporated in Singapore)

RESPONSE TO SGX'S QUERIES

SGX RegCo has issued the following queries to POWERMATIC DATA SYSTEMS LIMITED through RegCo Submissions:

1. Listing Rule 715(2) states that the Company "must engage a suitable accounting firm for its significant foreign-incorporated subsidiaries and associated companies". We note that the Company stated on page 78 of its Annual Report that its foreign-incorporated subsidiary Harrison Pte Ltd was audited by TS Tay Public Accounting Corporation. Furthermore, Compex (Suzhou) Co., Ltd and Compex Wireless (Suzhou) Co., Ltd were audited by PengSheng Certified Public Accountants Co. Ltd, while Compex Technologies Sdn Bhd was audited by YYC & Co PLT.

With regard to these subsidiaries:-

- (i) Please clarify whether these entities are significant foreign-incorporated subsidiaries and associated companies; and
- (ii) Please provide the Audit Committee and Board's basis of assessment for the suitability of the audit firms for the entities, including their size, track record in auditing similar listed issuers or its subsidiaries within the relevant jurisdictions, accreditations or qualifications relevant to the jurisdiction or internationally, experience of the audit firms and audit partners providing the audit opinion.

Our response:

Harrison Pte Ltd, a wholly owned subsidiary, incorporated in Singapore on 27 January 2021, as disclosed in the annual report on page 76, note 18. It was dormant during the financial year and continues till to-date.

Compex (Suzhou) Co. Ltd and Compex Technologies Sdn Bhd, are wholly owned subsidiaries, principal activities are to provide manufacturing support to the Group. Their revenue and profit are entirely derived from providing such services to the Group and their revenue is excluded from Group's consolidated revenue.

Compex (Suzhou) Co. Ltd is a significant component to the Group. Compex (Suzhou) Co. Ltd is audited by the local auditor - PengSheng Certified Public Accountants Co Ltd. for its statutory audit. There is a difference between the financial year-end of Compex (Suzhou) Co. Ltd, which is 31 December, and the Group's financial year-end, which is 31 March.

We engaged SBA Stone Forest CPA Co Ltd ("SBA"), an alliance firm of our external auditor, RSM Chio Lim LLP to perform a full-scope audit in accordance with Singapore Standard on Auditing 600 ("SSA 600"); Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors). SBA has prepared the component's financial information in accordance with International Financial Reporting Standard ("IFRS"). Please refer to the annual report page 76, explanation note (b).

Compex Technologies Sdn Bhd, a wholly-owned subsidiary, was incorporated in Malaysia on 7 December 2018. The subsidiary commenced operations in late FY 2022. The current auditor, YYC & Co PLT, is a public accounting practice based in Kuala Lumpur with focus on small to medium enterprises. YYC & CO PLT was established in 1974 and its clients are from diverse industries comprising small to large enterprises, multi-national corporations and government agencies.

The engaging audit partner for FY2023 is Chan Wei Khjan. Chan Wei Khjan is an ACCA Graduate with a strong background in finance and accounting. He started his career in 2008 with KPMG Singapore, SME Segment. In 2012, he set up an accounts and tax advisory practice in Singapore. In 2017, he set up a local practice in Malaysia, and it has been providing auditing and advisory services for five years since then. He also has commercial experience as a co-founder of a retail business, wherein he acted as the finance director for three years. He has been involved in social work and was appointed as the town councillor of Majlis Bandaraya Iskandar Puteri in 2018. Wei Khjan holds multiple professional qualifications, including ACCA, C.A(M), and CA (Singapore).

Compex Technologies Sdn Bhd is not a significant component to the Group, the subsidiary's contribution to Group's revenue, profit and shareholder's fund in FY 2023 was Nil, 0.1% and 6.1% respectively.

Compex Wireless (Suzhou) Co. Ltd, a wholly-owned subsidiary, is not a significant component to the Group. The subsidiary's contribution to Group's revenue, profit and shareholder's fund in FY 2023 was 4.4%, 1.9% and 2% respectively. The subsidiary's contributions to prior financial years (revenue, profit and shareholder's fund) were comparable to FY2023.

The Group's revenue, other than those recorded in Compex Wireless (Suzhou) Co Ltd, is attributed to Powermatic Data Systems Pte Ltd and its wholly owned subsidiaries in Singapore, which are audited by Messrs RSM Chio Lim.

2. Listing Rule 704(9) states that an issuer must immediately announce any appointment of a person who is a relative of a director or chief executive officer or substantial shareholder of the issuer to a managerial position in the issuer or any of its principal subsidiaries. The announcement must state the job title, duties and responsibilities of the appointee, and the information required in Rule 704(7).

We note that the Company stated on page 28 of its annual report that Ho Wei Jie, Jonathan and Ang Lay Hoon are relatives of a director of the Company. Please disclose the dates on which these appointments were made and whether the Company has complied with the requirements under Listing Rule 704(9). If not, please comply accordingly.

Our response:

Ang Lay Hoon (sister of Katherine Ang Bee Yan) and Ho Wei Jie Jonathan (son of Ang Lay Hoon and nephew of Katherine Ang Bee Yan) are related to Katherine Ang Bee Yan – an Executive Director appointed on 1 July 2011.

The Company has provided the appropriate disclosures in the annual reports and full year financial statements previously. However, it has not complied with Listing Rule 704(9). We have since rectified with announcement made via SGX-NET.

By Order of the Board

Dr. Chen Mun
Chairman and Chief Executive Officer

17 July 2023