



ANNUAL REPORT

2025



LIVING THE CULTURE OF

COLOURS

GREEN SUSTAINABLE HEALTHY LIFE-STYLES
WITH ADVANCED TECHNOLOGIES

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This annual report has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor").

This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Ms. Goh Mei Xian, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr James Kho Chung Wah
Non-Executive Chairman and Independent Director

Dr Liu Shen
Executive Director

Mr Chng Hee Kok
Independent Director

Dr Fu ShaoHai
Independent Director

EXECUTIVE OFFICERS

Mr Chen HongBo
Chief Executive Officer

Mr Seow Han Khye
Chief Financial Officer

COMPANY SECRETARIES

Ms Shirley Tan Sey Liy
(MSc Mgmt (Hons) (UCD), FCS, FCG)

Mr Seow Han Khye

CONTINUING SPONSOR

ZICO Capital Pte. Ltd.
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

REGISTERED AND BUSINESS OFFICE

1003, Bukit Merah Central #01-10
Singapore 159836
Tel: (65) 6861 0028
Fax: (65) 6861 0128

AUDITORS

Moore Stephens LLP
Chartered Accountants of Singapore
10 Anson Road, #29-15
International Plaza
Singapore 079903

Partner-in-charge:
Mr Ling Kim Chuan
(Appointed since financial year ended
31 December 2025)

PRINCIPAL BANKERS

DBS Bank Ltd
6 Shenton Way
DBS Building
Singapore 068809

Oversea-Chinese Banking
Corporation Limited
65 Chulia Street
OCBC Centre
Singapore 049513

United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1
Singapore 049513

SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.
36 Robinson Road
#20-01 City House
Singapore 068877

CORPORATE PROFILE



Established in September 1989 and listed on Singapore Exchange since February 2004, Nanyang New Development Limited (formerly known as Matex International Limited) is a leading manufacturer, supplier and marketer of quality dyestuffs and specialty chemicals, colour measurement and computer aided systems to various global markets such as textile, paper, leather, detergent and polymers industry. As part of its blueprint, it aims to be a world-class integrated service provider in **CLEAN COLOUR SCIENCE TECHNOLOGIES** the **WORLD** seeks, with our Center of Excellence in Singapore for **PEOPLE, INNOVATIONS, PRODUCTS, SERVICES, TECHNOLOGIES** and **SOLUTIONS** to our Markets.

Dedicated to serve, Nanyang has established a network of well-trained sales and marketing professionals with a strong presence in China to support its wide base of global customers. We are widely recognized for our strength in providing excellent technical support services in order to satisfy our customers' ever changing needs. Across the years we have been awarded with numerous accolades for our efforts. Nanyang had been constantly ranked as one of China's top chemical companies and of recent we were recognized as Singapore Specialty Chemicals Company of the Year for our contributions.

Nanyang makes a concerted effort to integrate environmental and social concerns into business operations, ensuring a balanced and sustainable development of our businesses. Our world famous Megafix® reactive dye series is a testimonial of our ability to constantly develop unique, innovative products and services by combining the latest technologies through continuous research and development, with our intimate knowledge and business experience. We strive to add value to our customers' products, for higher quality, better performance, price competitiveness and eco-friendliness to achieve long term 'win-win' strategic partnerships.



OUR VISION

To be a world-class integrated service provider in clean colour science technologies the world seeks, with our center of excellence in Singapore for people, innovations, products, services, technologies and solutions to our markets.

OUR MISSION

To meet to excel as a global competent solutions provider with pools of innovative talents ready to explore business opportunities and to deliver credible and sustainable business growth.

OUR VALUES

We are customer-focused for full satisfaction and we aim to be on-target to the right needs, provide on time delivery on-demand for the highest and consistent quality at affordable prices.

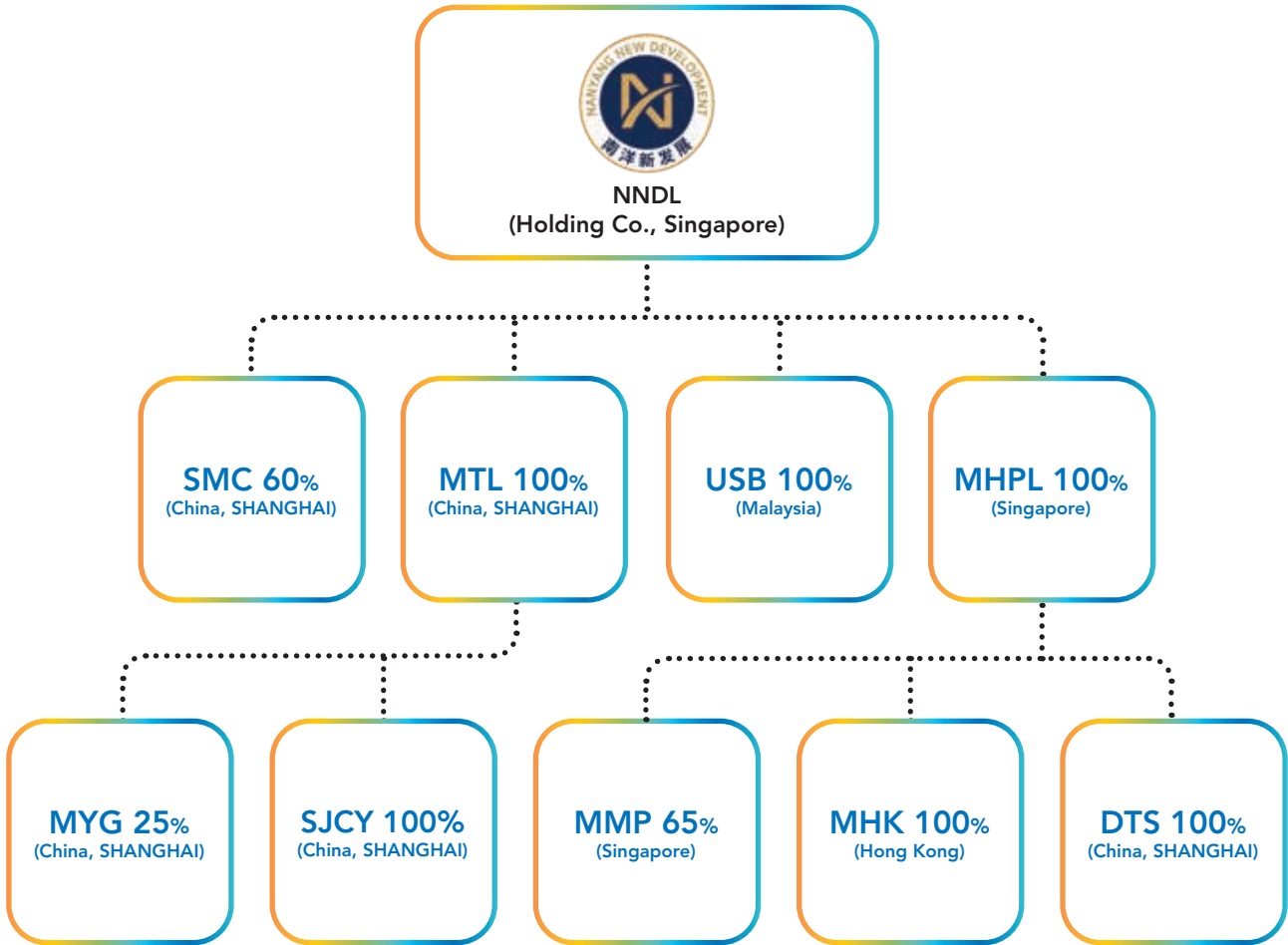
OUR PROMISE

To meet the needs of our customers we value add through competitive and innovative viable solutions. The needs of our employees – with our corporate values.

The needs of our stakeholders – with healthy returns. And the needs of our environment – by being sustainable.



GROUP STRUCTURE



NNDL – Nanyang New Development Limited
(南洋新发展有限公司)

MHPL – Matex Holdings Pte Ltd
(万得控股私人有限公司)

USB – Unimatex Sdn Bhd
(全万得私人有限公司)

MTL – Matex Chemicals Technologies (Shanghai) Co., Ltd
(万得化工科技(上海)有限公司)

SJCY – Shanghai JingCaiYuan New Materials Co., Ltd.
(Incorporated on 16 December 2025)
上海晶彩源新材料有限公司

SMC – Shanghai Matex Chemicals Co., Ltd
(上海万得化工有限公司)

DTS – Dedot Trading (Shanghai) Co., Ltd
(帝得贸易(上海)有限公司)

MMP – MatexMega Pte. Ltd.
(万兆有限公司)

MHK – Matex Holdings (HK) Limited
(万得控股(香港)有限公司)

MYG – Matex YG (Shanghai) Material Tech Ltd.
(万得云硅新材料科技(上海)有限公司)
(An associate company, 03.01.24)

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors, we present to you the annual report of Nanyang New Development Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for the financial year ended 31 December 2025 (“**FY2025**”).

The Company had on 13 January 2026 obtained approval from the shareholders of the Company (“**Shareholders**”) for change of Company’s name. On 26 January 2026, the Company announced that it had lodged the Notice of Special Resolution with ACRA for a change of name and that the Company’s name had been successfully changed from “Matex International Limited” to “Nanyang New Development Limited” with immediate effect.

During FY2025, the Company underwent several changes in its leadership team to strengthen its governance and strategic direction. The Board would like to take this opportunity to express its appreciation to the outgoing directors and management for their valuable contributions over the years. We also extend a warm welcome to the newly appointed directors and members of the management team, whose experience and expertise will be instrumental in driving the Company’s continued growth and success.

OPERATING ENVIRONMENT

FY2025 was challenging for the Group amid weak global demand, geopolitical uncertainties and intense competition in the specialty chemicals and textile sectors, which pressured sales volumes and margins and coincided with restructuring and portfolio rationalisation efforts. Operating mainly in the PRC dyestuff and colour chemicals market, the Group faces structural industry changes, including PRC manufacturers increasingly looking overseas, potential normalisation of domestic pricing, and a shift towards differentiated products and integrated production chains spanning reactive dyes, disperse dyes and auxiliaries. The industry is also moving from traditional dye applications towards digital textile printing inks, creating both capability-upgrading challenges and new growth opportunities, making innovation, global expansion and value-chain integration critical for the Group’s future competitiveness.

STRATEGIC PROGRESS AND RESTRUCTURING

During the year, the Group advanced its strategic restructuring by streamlining traditional operations and tightening risk and control disciplines, while simultaneously exploring new growth directions. Key actions included rationalising underperforming and non-core activities, strengthening credit risk management and inventory controls, reviewing and impairing assets where appropriate, and enhancing internal controls and governance frameworks. In parallel, the Board and management have been evaluating potential new business lines, partnerships and investments to reposition the Group beyond its legacy core and build a more resilient, diversified earnings base over the medium to long term, with strict focus on capital efficiency and risk-adjusted returns.

The Company entered into a subscription agreement on 23 January 2026 pursuant to which two subscribers will provide S\$4,158,000 to the Company by subscribing for unsecured convertible notes. On 9 March 2026, the Company received the full subscription amount of S\$4,158,000.

REVIEW OF FINANCIAL PERFORMANCE

The Group’s FY2025 results reflect weaker performance, with revenue down to S\$5.9 million, sharply lower gross margins, higher administrative expenses, and significant impairments on both financial and non-financial assets, resulting in a widened pre-tax loss of S\$7.7 million and net loss attributable to owners of S\$6.8 million. The balance sheet showed reduced non-current assets due to impairments, modestly lower current assets despite a still-strong cash position of S\$8.4 million, higher short-term borrowings and accruals, and a decline in total equity from S\$7.9 million to S\$4.0 million, although working capital remained positive at S\$3.7 million. Cash flows from operations were negative at S\$5.2 million due to operating losses, partly offset by S\$0.2 million net inflows from investing activities and S\$4.7 million from financing activities, mainly from a share placement and new borrowings.

OUTLOOK

Looking ahead, we expect the operating environment to remain challenging in the near term, given continued macroeconomic uncertainties, cautious customer sentiment and structural changes in the textile and specialty chemicals industry. Nonetheless, we believe that the actions taken in FY2025 to right-size our cost base, clean up our balance sheet and strengthen our governance framework provide a necessary platform for the Group’s next phase of development.

OUR IMMEDIATE PRIORITIES

The Group aims to stabilise the performance of its existing operations through disciplined cost management and a more selective focus on customers and products, while preserving and strengthening financial flexibility by carefully managing capital expenditure and working capital. It will progressively implement its strategic repositioning plans, including pursuing new ventures or acquisitions that are value-accretive and aligned with its long-term vision. The Board remains committed to acting in the best interests of all shareholders and to improving the Group’s performance and value over time, while recognising that the turnaround will take time and will require consistent execution and strong risk management.

WORDS OF APPRECIATION

We very much like to extend our deepest gratitude to our valued customers, business partners, associates, and stakeholders for their continued support and collaborative efforts over the years. Together, we have worked to create new possibilities and drive meaningful change and progress.

We remain committed to building stronger partnerships and working even closer with you to achieve sustainable growth and deliver value that empowers and improves the lives of trillions globally.

To our dedicated team, thank you for your steadfast commitment, resilience, and belief in the Company. Let us continue to stay vigilant, empowered, ready, and united as we embrace the opportunities and challenges ahead, to navigate, build, lead and scale even greater heights together.

Yours sincerely,

Mr James Kho Chung Wah
Non-Executive Chairman and Independent Director

Dr. Liu Shen
Executive Director

BOARD OF DIRECTORS

MR JAMES KHO CHUNG WAH ("MR KHO")

Non-Executive Chairman and Independent Director

Mr Kho was appointed to the Board on 15 May 2025 as an Independent Director. He was subsequently appointed as an Independent Non-Executive Chairman of the Board on 26 November 2025. He is the Chairman of the Audit Committee and a member of Nominating and Remuneration Committees.

Mr Kho has extensive experience in investments, investment banking and regulatory compliance. He is the Chief Executive Officer and co-founder of Willan Capital Pte. Ltd., and has held senior roles in multinational banks, investment banks and financial institutions. Mr Kho began his career in equity markets in the Issuer Regulation Department of Singapore Exchange Securities Trading Limited, where he was involved in the review of listing applications and continuing compliance of listed companies. Mr Kho is currently serving as an independent director of other SGX-listed companies, namely Rich Capital Holdings Limited and OceanScape International Limited.

Mr Kho graduated from Nanyang Technological University of Singapore with a Bachelor of Business (Second Upper Honours), majoring in Financial Analysis with a minor in Applied Economics. He is a Chartered Financial Analyst.

DR LIU SHEN ("DR LIU")

Executive Director and Chief Technical Officer

Dr Liu is the Executive Director and Chief Technical Officer of the Company. He is responsible for leading the Company's research and development, technical operations and product innovation efforts. He was appointed to the Board on 17 October 2025.

Dr Liu has more than 20 years of experience in applied chemistry, fine chemicals industry, spanning technical management, plant operations and senior executive leadership in the People's Republic of China. Prior to joining the Company, he has held various senior roles including General Manager of Fuzhou Xingchen Pharmaceutical Co., Ltd. (2021-2022), General Manager of Hengshui Quark Biotechnology Co., Ltd. (2023-2024), Special Advisor to the General Manager of Hunan Ruiguan Biotechnology Co., Ltd. (2024-2025) and Deputy General Manager and Director of the Technical Center at Hunan Jingfeng Chemical Technology Co., Ltd. (2025). From 2014 to 2021, he served as Executive Manager of Amly Chemicals Co., Ltd., a former wholly-owned subsidiary of the Company, on secondment from Shanghai Matex Chemicals Co., Ltd. (a 60%-owned subsidiary of the Company), where he oversaw production, technical development and sales.

Earlier in his career from 2012 to 2014, Dr Liu was the General Affairs Manager of Shanghai Matex Chemicals Co., Ltd. where he supported administration, logistics, quality control and sales. He has since continued to deepen his expertise in dyestuff intermediates, specialty chemicals and related biotech applications, and plays a key role in driving the Group's technology roadmap and application development.

Dr Liu holds a PhD in Applied Chemistry from Dalian University of Technology and a Master of Science degree in Applied Chemistry from Qiqihar University.

BOARD OF DIRECTORS

MR CHNG HEE KOK ("MR CHNG")

Independent and Non-Executive Director

Mr Chng is an Independent and Non-Executive Director of the Company. He was appointed to the Board on 15 May 2025. He also serves as the Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee. He has extensive experience in corporate leadership, having served as chief executive officer or managing director of various listed and private companies across manufacturing, property development, hospitality, trading, entertainment and food and beverage industries.

Mr Chng was a Member of Parliament of Singapore from 1984 to 2001, representing Radin Mas, Tiong Bahru GRC (Radin Mas), Tampines GRC (Changkat South) and East Coast GRC (Fengshan) in successive terms, where he was involved in national policy discussions and community development. In the corporate sphere, he has held numerous board positions, including as Independent Non-Executive Chairman, Independent Director, Lead Independent Director, Non-Executive Vice-Chairman and Chairman of Board Committees in SGX-listed companies such as KTL Global Limited, Debao Property Development Ltd., Advanced Systems Automation Limited and others, where he oversaw audit, nominating, remuneration and governance matters.

He continues to bring to the Board his broad business experience, strategic insight and strong understanding of regulatory and stakeholder expectations. Mr Chng holds a Master of Business Administration from National University of Singapore.

DR FU SHAOHAI ("DR FU")

Independent and Non-Executive Director

Dr Fu is an Independent and Non-Executive Director of the Company. He was appointed to the Board on 5 February 2026. He also serves as the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee.

Dr Fu has deep academic and research experience in textile science and engineering, having held a series of senior positions at Jiangnan University in the People's Republic of China. From January 2015 to December 2016, he was Vice Dean of the Institute of Science and Technology and Director of the Military Industry Office at Jiangnan University. From January 2017 to November 2025, he served as Dean of the College of Textile Science and Engineering at Jiangnan University, and since November 2025, he has been Director of the Department of Development Planning and Discipline Construction at Jiangnan University. His research work includes contributions in areas such as bio-based flame-retardant materials and dye chemistry pedagogy, underscoring his technical expertise relevant to the Group's specialty chemical and textile-related businesses.

Dr Fu holds a PhD in Textile Science and Engineering from Jiangnan University, as well as a Master's degree in Materials Science and a Bachelor's degree in Polymer Materials Science and Engineering, both from Qingdao University.

KEY MANAGEMENT

MR CHEN HONGBO ("MR CHEN")

Chief Executive Officer

Mr Chen is the Chief Executive Officer of the Company. He is responsible for providing strategic leadership, driving sustainable growth, and overseeing the Group's overall operations and business development. Prior to joining the Company, Mr Chen has been an independent investor since 2018, actively engaging in investment and cooperation across various industries, including healthcare, gaming and eSports, automotive aftermarket modification, government data services and community sports. Mr Chen has also accumulated extensive experience in senior management positions in various large organizations. Mr Chen holds an Executive MBA degree from Nanyang Technological University, Singapore and a Bachelor of Science in Information Theory, Department of Mathematics from Peking University, China.

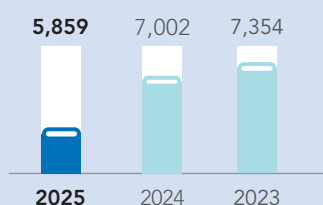
MR SEOW HAN KHYE ("MR SEOW")

Chief Financial Officer and Joint Company Secretary

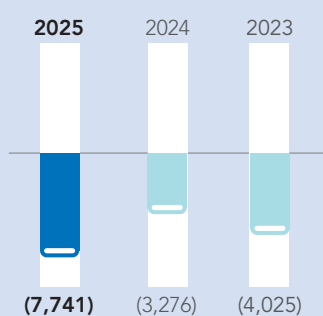
Mr Seow is the Chief Financial Officer of the Company. He is responsible for overseeing the finance, accounting, taxation, treasury and risk management functions of the Group, as well as the internal audit and compliance matters for the Group. Beyond his financial responsibilities, he actively participates in line-of-business executive and operations management, while also assisting the Executive Director in financial planning, business development, and strategic investment management. Prior to joining the Company, Mr Seow served as the Chief Financial Officer at Luma Group and has accumulated extensive experience in senior management positions across various multinational companies. As a testament to his expertise, Mr Seow holds the distinguished title of Fellow Member of the Association of Chartered Certified Accountants.

FINANCIAL HIGHLIGHTS

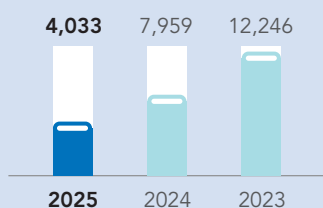
REVENUE (\$'000)



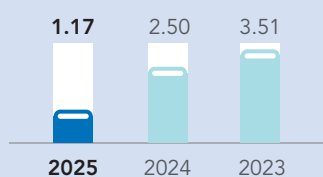
LOSS BEFORE TAX (\$'000)



SHAREHOLDERS' EQUITY (\$'000)



NET ASSET VALUE PER SHARE (CENTS)



GROUP CONSOLIDATED STATEMENTS

	FY2025 \$'000	FY2024 \$'000	FY2023 \$'000
Statement of Comprehensive Income (\$'000)			
Revenue	5,859	7,002	7,354
Gross profit	865	1,465	1,608
Net operating and financial expenses	(8,847)	(4,872)	(5,681)
Other income	332	191	48
Share of associate's loss	(91)	(60)	–
Loss before tax	(7,741)	(3,276)	(4,025)
Income tax	(5)	(13)	(16)
Loss after tax	(7,746)	(3,289)	(4,041)
Attributable to:			
Owners of the Company	(6,771)	(2,654)	(3,310)
Non-controlling interests	(975)	(635)	(731)
	(7,746)	(3,289)	(4,041)
Loss per share (cents)*	(1.34)	(0.73)	(0.98)
Balance Sheet (\$'000)			
Non-current assets	418	2,101	1,735
Current assets	11,430	13,143	19,663
Less: Current liabilities	(7,716)	(6,969)	(8,573)
Net current assets	3,714	6,174	11,090
Non-current liabilities	(99)	(316)	(579)
Net assets	4,033	7,959	12,246
Owners of the Company	6,053	9,049	12,701
Non-controlling interests	(2,020)	(1,090)	(455)
Total equity	4,033	7,959	12,246
Net asset value per share (cents)**	1.17	2.50	3.51

* Loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the respective financial years (FY2025: 503,884,454/FY2024: 361,698,153/FY2023: 337,314,591 shares).

** Net asset value per share as at 31 December 2025 is computed based on 515,698,153 (2024: 361,698,153/2023: 361,698,153) ordinary shares.

FINANCIAL HIGHLIGHTS

REVIEW OF FINANCIAL PERFORMANCE

Revenue

The Group recorded a decrease in revenue by S\$0.2 million from S\$3.5 million for the six months ended 31 December 2024 ("2H2024") to S\$3.3 million for the six months ended 31 December 2025 ("2H2025") and a decrease of S\$1.1 million from S\$7.0 million for the financial year ended 31 December 2024 ("FY2024") to S\$5.9 million for the financial year ended 31 December 2025 ("FY2025"). In FY2025, the Group's revenue was derived mainly from the PRC of S\$4.3 million (FY2024: S\$4.8 million), Singapore of S\$1.0 million (FY2024: S\$1.6 million) and the balance from Malaysia of S\$0.6 million (FY2024: S\$0.6 million). The decrease was mainly due to weak demand for the Group's products stemmed from softer global consumption, US/EU slowdowns, competition from low-cost imports, overcapacity and economic uncertainty hurting consumer demand leading to reduced volumes and trimmed production runs.

Gross Profit

The Group's gross profit margin declined from 21.2% in 2H2024 to 9.27% in 2H2025, primarily attributable to intensified price competition and weaker global consumption. For the financial year under review, the gross profit margin decreased from 20.9% in FY2024 to 14.8% in FY2025, mainly due to heightened competition from both local and overseas suppliers. In addition, the write-down of aging inventories held by the Group's China subsidiary to their net realizable value further impacted the gross margin.

Other income

The Group recorded an increase in other income from S\$156,000 in 2H2024 to S\$242,000 in 2H2025 and from S\$191,000 in FY2024 to S\$332,000 in FY2025, mainly due to disposal of the car's license plate under the Shanghai subsidiary which amounted to S\$134,000 of gains, and, one-off back-to-back transaction involving the trading of chromite ore during the financial year under review further contributed to the increase in other income.

Selling and distribution expenses

The Group recorded a decrease in selling and distribution expenses from S\$434,000 in 2H2024 to S\$377,000 in 2H2025 and from S\$924,000 in FY2024 to S\$819,000 in FY2025, in line with the reduction in revenue and restructuring of sales force.

General and administrative expenses

The Group recorded an increase in general and administrative expenses from S\$2.2 million in 2H2024 to S\$3.9 million in 2H2025 and from S\$4.1 million in FY2024 to S\$6.3 million in FY2025. The increase was mainly due to (i) net foreign exchange loss of approximately S\$257,000 arising from the depreciation of RMB against SGD during the financial year under review, as compared to a net foreign exchange gain of S\$231,000 in FY2024; (ii) inventory written down of S\$313,000 in FY2025 as compared to S\$7,000 in FY2024 arising from the review of the realisable value of the inventories, which were determined to have a decline in net realisable value below cost; (iii) higher legal and professional fees of S\$745,000 relating to the Settlement Agreement between the Company and Dr Tan Pang Kee and Mr Tan Guan Liang as well as other corporate exercises contemplated during FY2025; and (iv) cessation payments to Dr Tan Pang Kee, Mr Tan Guan Liang and Ms Lok Fong Meng of S\$876,000.

Impairment losses on financial assets

Impairment losses on financial assets mainly comprise an impairment of trade receivables amounting to S\$151,000, arising from long overdue balances assessed as doubtful of recovery, and an impairment of other receivable amounting to S\$950,000 assessed as irrecoverable.

Impairment losses on non-financial assets

Impairment losses on non-financial assets comprise impairment charges on property, plant and equipment, recognised where the carrying amounts of these assets exceeded their recoverable amounts.

FINANCIAL HIGHLIGHTS

Net Finance Income/(Expense)

The Group recorded an increase in finance expenses of S\$24,000 in 2H2024 to S\$44,000 in 2H2025 and S\$51,000 in FY2024 to S\$71,000 in FY2025, due mainly to additional loan taken up at subsidiary for working capital purposes. Finance income declined from S\$137,000 in 2H2024 to S\$29,000 in 2H2025 and S\$285,000 in FY2024 to S\$89,000 in FY2025, primarily because of lower interest earned on USD fixed deposits amid interest rate cuts and reduced USD funds available.

Tax

Taxation is in accordance with applicable tax rates on the taxable profits made by the subsidiaries in China.

Other Comprehensive Loss

The Group recorded a decrease in net loss on the fair value change on equity investments of S\$369,000 in FY2025 as compared to S\$1.1 million in FY2024.

Net Results

Overall, as a result of the above movements, the Group recorded a loss before tax of S\$5.4 million in 2H2025 as compared to a loss before tax of S\$1.8 million in 2H2024 and a loss before tax of S\$7.7 million in FY2025 as compared to loss before tax of S\$3.3 million in FY2024. The loss attributable to owners of the Group is approximately S\$6.8 million in FY2025, as compared to a loss of S\$2.6 million in FY2024.

REVIEW OF FINANCIAL POSITION

Non-Current Assets

Property, plant and equipment ("PPE") decreased from S\$1,052,000 as at 31 December 2024 to S\$329,000 as at 31 December 2025, mainly due to impairment losses of PPE of S\$651,000, partially offset by depreciation charges of S\$67,000 incurred during FY2025.

Right-of-use assets decreased from S\$515,000 as at 31 December 2024 to S\$7,000 as at 31 December 2025, mainly due to the depreciation of right-of-use assets and disposal of motor vehicle recognized as right-of-use assets following the Settlement Agreement with Dr Tan

Pang Kee as well as written off of right-of-use assets due to termination of lease for Shanghai office as a result of restructuring.

Other long-term investment declined from S\$369,000 as of 31 December 2024 to S\$ NIL as of 31 December 2025, primarily due to fair value loss recognised.

Current Assets

Inventories decreased from S\$1.6 million as at 31 December 2024 to S\$1.2 million as at 31 December 2025, mainly due to write-downs on slow-moving stock.

Current trade and notes receivables fell by about 40.52%, from S\$1.8 million as at 31 December 2024 to S\$1.1 million as at 31 December 2025, mainly due to impairment losses on long-overdue amounts and lower revenue.

Other receivables decreased from S\$882,000 as at 31 December 2024 to S\$789,000 as at 31 December 2025, mainly due to recovery of cash advances previously extended to sales office staff in China.

Prepayments reduced from S\$35,000 as at 31 December 2024 to S\$31,000 as at 31 December 2025. Prepayments are mainly advances to suppliers to secure favorable pricing.

Total cash and cash equivalents and fixed deposits dropped from S\$8.9 million as at 31 December 2024 to S\$8.4 million as at 31 December 2025 mainly due to (i) cash used in operations; and (ii) repayment of loans and borrowings. This was partially offset by the net proceeds of S\$4.0 million from share placement.

Current Liabilities

Trade payables reduced from S\$1.3 million as at 31 December 2024 to S\$1.0 million as at 31 December 2025, consistent with lower revenue recorded during the financial year under review.

FINANCIAL HIGHLIGHTS

Other payables and accruals increased from S\$4.4 million as at 31 December 2024 to S\$4.9 million as at 31 December 2025, mainly due to accrual for cessation payments in accordance with the Settlement Agreement and legal fees for services provided.

Term loans increased from S\$1.1 million as at 31 December 2024 to S\$1.8 million as at 31 December 2025, due mainly to the additional drawdowns of short-term bank borrowings by the Group's subsidiaries in China to fund working capital, partially offset by the scheduled repayment.

Non-current liabilities

Non-current liabilities decreased from S\$316,000 as at 31 December 2024 to S\$99,000 as at 31 December 2025, mainly due to the reduction in lease liabilities arising from the lease termination in Shanghai, while deferred tax liabilities remained unchanged.

Equity

Share capital increased from S\$25.8 million to S\$30.0 million, following the completion of the share placement in January 2025.

As a result of all the above, the Group's total equity decreased from S\$7.9 million as at 31 December 2024 to S\$4.0 million as at 31 December 2025. After excluding non-controlling interests, equity attributable to owners of the Company decreased from S\$9.0 million to S\$6.0 million.

Working Capital

The Group reported a positive working capital position of S\$3.7 million as at 31 December 2025, as compared to a positive working capital position of S\$6.2 million as at 31 December 2024, mainly due to operating loss.

REVIEW OF CASH FLOW POSITION

Net cash used in operating activities

In FY2025, the Group recorded net cash used in operating activities of S\$5.2 million (FY2024: S\$2.4 million). This was mainly attributable to an operating loss before working capital changes of S\$5.4 million, partially offset by net cash generated in working capital changes of approximately S\$119,000 and the receipt of interest income.

Net cash generated from/(used in) investing activities

In FY2025, the Group recorded net cash generated from investing activities of S\$171,000 (FY2024: net cash used of S\$3.2 million), mainly due to proceeds of S\$266,000 from the disposal of property, plant and equipment, partially offset by purchase of property, plant and equipment and intangible assets.

Net cash generated from/(used) in financing activities

In FY2025, the Group recorded net cash generated from financing activities of S\$4.7 million (FY2024: net cash used of S\$1.9 million). The inflows were mainly attributable to net proceeds of S\$4.2 million from the placement of ordinary shares in January 2025 and drawdowns of loans and borrowings of S\$1.1 million, partially offset by repayments of S\$0.3 million of borrowings and S\$0.2 million of lease liabilities.

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SUSTAINABILITY REPORT

PREFACE

Balanced Reporting Approach

NANYANG NEW DEVELOPMENT LIMITED (the “**Company**”, and together with its subsidiaries, the “**Group**” or “**NNDL**”) is a Singapore-based investment holding company that provides formulation, manufacturing and sale of speciality chemicals focusing on dyestuff and auxiliaries for the textile industry and is listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). In addition, the Group supplies colour measurement and computer-aided systems to support its customers across various global markets.

The Group adopts a balanced reporting approach to provide consistent, transparent, and objective disclosure of its environmental, social, and governance (“**ESG**”) performance, highlighting both achievements and areas for improvement, enabling stakeholders to track progress and make informed decisions across successive reporting periods.

Key Frameworks Applied and Scope of the Report

This report has been prepared in accordance with SGX-ST Listing Rules 711A and 711B, the relevant SGX-ST Practice Notes on the sustainability reporting guide, and the 2021 Global Reporting Initiative (“**GRI**”) sustainability reporting standards. Additionally, the Report incorporates the Task Force on Climate-related Financial Disclosures (“**TCFD**”) framework, providing detailed and transparent information on the Group’s climate-related risks and opportunities.

This report outlines the sustainability performance and practices of the Group’s operations for the financial year ended 31 December 2025 (“**FY2025**”). The Group complies with the Singapore Financial Reporting Standards and the Companies Act 1967. The objective is to provide a comprehensive overview of the Group’s sustainability initiatives, covering the holding company and its subsidiaries, excluding Matex YG (Shanghai) Material Tech Ltd., which is classified as an associate.

Assurance

The Group has implemented internal systems and controls to monitor and verify data, ensuring the accuracy of this sustainability report. This internal assurance process is designed to comply with the SGX-ST Listing Rules and relevant sustainability reporting standards. The internal auditor has conducted an independent review of the sustainability reporting process and aligned principles, and the Board has provided an additional review of this report.

Looking ahead, the Group plans to consider engaging an independent assurance provider in future reporting periods. This reflects its ongoing commitment to enhancing the credibility, reliability, and transparency of its sustainability reporting.

Feedback

The Group welcomes feedback from stakeholders as part of its continuous effort to enhance sustainability practices. For any questions or comments regarding this report, please get in touch with us at info@matex.com.sg and/or marketing@matex.com.sg.

SUSTAINABILITY REPORT

Materiality

This report highlights the key issues that are most important to both our business and our stakeholders. The Group follows a four-step materiality assessment process to identify, prioritise, and validate these critical matters. It also outlines our approach to managing eleven (11) material topics that have a significant impact on our operations and stakeholder value. We remain dedicated to continuously improving the quality of our reporting and actively encourage stakeholder feedback to support ongoing enhancements.

Disclaimer

This report may include forward-looking statements that are based on certain assumptions and involve risks and uncertainties. Consequently, the Group's future performance, outcomes, and results may differ significantly from those expressed or implied in these statements. These statements represent management's current expectations regarding future events and are subject to change. Various factors could cause actual results to deviate materially from the projections outlined in the forward-looking statements.

Board Responsibility Statement

We are pleased to present the Group's annual sustainability report for FY2025, highlighting our continued commitment to sustainable growth in the medical aesthetic sector. Sustainability remains a core element of our long-term strategy, contributing to lasting value for our stakeholders. Key ESG factors have been carefully identified, monitored, and reviewed, with internal data rigorously verified to ensure accuracy. These efforts reflect our ongoing dedication to improving sustainability practices across the Group.

Looking ahead, we are actively exploring the engagement of external assurance further to enhance the credibility and transparency of our sustainability reporting. The Board continues to provide strong oversight, ensuring ESG considerations remain embedded in the Group's strategy, operations, and decision-making processes. Our commitment to continuous improvement ensures that sustainability remains an evolving priority rather than a one-time initiative.

This report also highlights the Group's commitment to advancing sustainability across all aspects of its operations. By integrating ESG principles into our strategy, the Group aims to create long-term value for stakeholders and deliver a positive, enduring impact on ESG performance.

We welcome ongoing feedback from all stakeholders, including customers, business partners, and the wider public, as their insights are crucial to refining our sustainability strategy. The Board has reviewed and approved all topics included in this ESG report, reinforcing the Group's commitment to continuously advancing sustainable practices.

Mr James Kho Chung Wah

Non-Executive Chairman and Independent Director

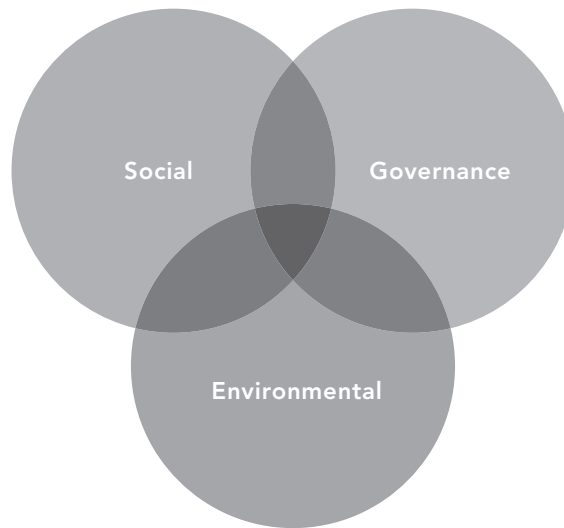
SUSTAINABILITY REPORT

SUSTAINABILITY

Sustainability Strategy

Our business management and operations are anchored in a strong commitment to sustainability and long-term value creation for both people and the planet. At the heart of this commitment is our dedication to supporting the global transition toward a low-carbon economy, aligned with the United Nations’ Net Zero Emissions (“NZE”) 2050 Roadmap.

Sustainability is integral to our business strategy and embedded across NNDL through a comprehensive framework structured around three (3) core ESG pillars. This framework encompasses multiple focus areas and is aligned with ten (10) selected UN SDGs, enabling a holistic and integrated approach to all three (3) ESG dimensions.



Environmental

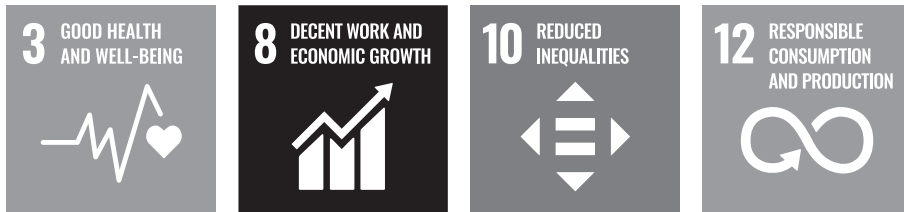
NNDL has established internal procedures to efficiently manage electricity and water consumption and reduce greenhouse gas emissions, supported by staff training and energy- and water-saving initiatives. Our efforts include implementing water recycling and reuse systems, investing in water-efficient technologies, minimising paper waste, and sourcing environmentally friendly, recyclable or biodegradable packaging materials to strengthen our Sustainability strategy. These initiatives are aligned with three (3) selected UN SDGs.



SUSTAINABILITY REPORT

Social

NNDL implements rigorous quality control measures to ensure clear product information and warnings, supported by comprehensive safety testing and certification processes. The Group conducts regular safety training and audits while providing appropriate personal protective equipment (“PPE”) to safeguard employee well-being. NNDL is committed to fair wages and benefits to enhance employee satisfaction and retention, while maintaining a strong safety culture. This enables employees to develop their skills and reach their full potential, contributing to four (4) selected UN SDGs.



Governance

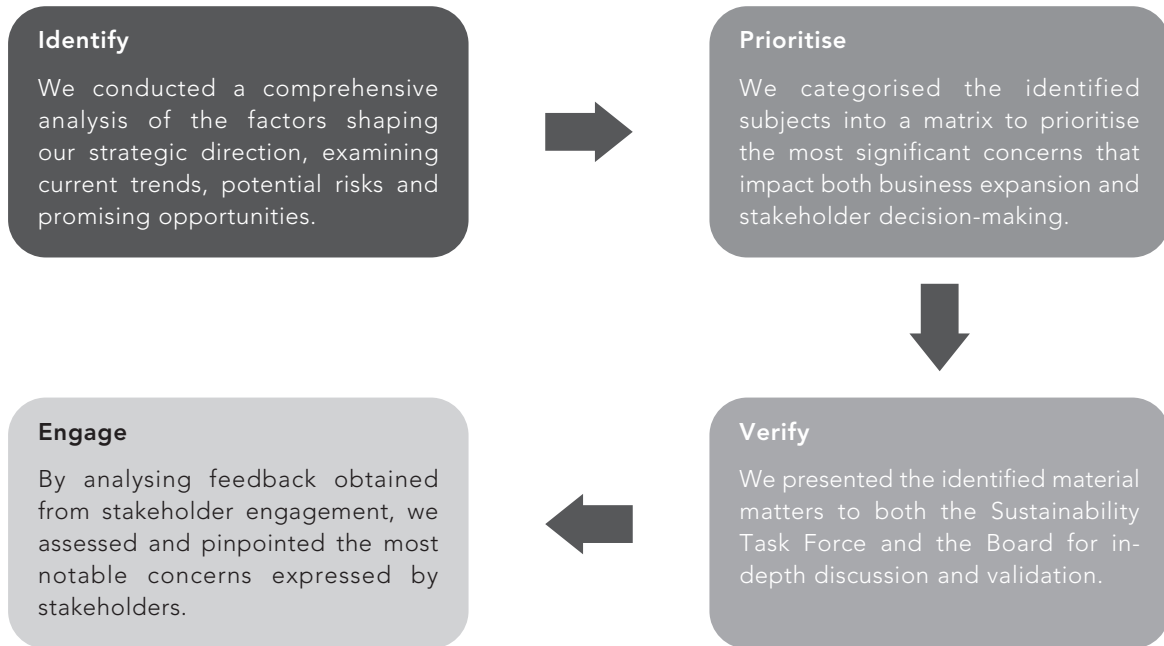
NNDL ensures compliance with various laws and regulations, including the Code of Corporate Governance 2018, the SGX-ST Listing Rules, the Companies Act 1967 of Singapore and the Securities and Futures Act 2001 of Singapore. The management frequently evaluates regulatory updates, informs staff of relevant changes, and tracks activities and performance in accordance with established procedures. The Board is informed of legal, accounting, and regulatory updates, and the NNDL Secretary disseminates articles and reports through SGXNet. This reflects our commitment to best practices and proactive sustainability, aligning with one (1) selected UN SDG.



SUSTAINABILITY REPORT

Methodology

The FY2025 materiality assessment followed four (4) key steps: identifying relevant sustainability topics, gathering stakeholder input, assessing the impact of these topics on the business, and prioritising them to shape our strategic focus.



Identification: Materiality Assessment

NNDL places strong emphasis on conducting regular materiality assessments to ensure our sustainability efforts remain relevant and aligned with Business Continuity Planning. In FY2025, the Group refined its materiality assessment by consolidating thirteen (13) previously identified material matters into seven (7) streamlined topics, and subsequently introducing three (3) additional material matters to align with the 27 core ESG metrics. This enhancement improves the clarity, consistency, and comparability of our ESG disclosures, ensuring they reflect evolving stakeholder expectations and regulatory requirements. The realignment also strengthens our strategic sustainability focus, enabling more effective resource allocation and performance monitoring.

SUSTAINABILITY REPORT

The materiality matrix below illustrates the significance and impact of these material matters on our sustainability strategy, guiding our efforts to prioritise the most critical areas and address stakeholder needs effectively.

Pillars	Material matters
Environmental	Climate change GRI 102: Climate Change
Environmental	GHG emissions management GRI 305: Emissions
Environmental	Energy management GRI 302: Energy management
Environmental	Water management GRI 303: Water and effluents
Environmental	Waste management GRI 306: Waste
Social	Employment GRI 401: Labour practices and standards ✓ Employee retention ✓ Fair employment practices ✓ Non-discrimination GRI 405: Diversity and equal opportunity ✓ Employee diversity
Social	Training and development GRI 404: Training and education
Social	Health and safety GRI 403: Occupational health and safety ✓ Occupational health and safety GRI 416: Customer health and safety ✓ Customer health and safety ✓ Product Safety and Quality GRI 417: Marketing and labelling ✓ Marketing and labelling GRI 418: Customer Privacy ✓ Data Safety and Protection
Governance	Board diversity and composition GRI 2: General disclosures GRI 405: Diversity and equal opportunity
Governance	Anti-corruption GRI 205: Anti-corruption

SUSTAINABILITY REPORT

Prioritisation: Mapping of Material Matters

Key sustainability issues across the ESG pillars are fundamental to our business and stakeholders, as they help us monitor industry developments and assess related risks and opportunities. In FY2025, NNDL carried out a thorough review of ten (10) material matters to ensure consistency with industry standards, guiding frameworks, and stakeholder expectations, while reinforcing NNDL’s strategic priorities. The findings of this review guided the establishment of two (2) sustainability pillars and the incorporation of relevant UN SDGs, aligning our efforts with global sustainability ambitions. The matrix below illustrates two (2) prioritised material matters, as detailed in the accompanying table.

Prioritise	Very Significant					
	Significant					Climate Change Anti-Corruption
	Moderate				GHG Emission Management Energy Management Water Management	
	Low		Employment Training and Development Health and Safety Board Diversity and Composition			
	Very Low	Waste Management				
			Very Low	Low	Moderate	Significant
Importance						

Verification: Material Matters




Following a thorough evaluation and validation process, NNDL has identified and retained two (2) prioritised material matters from the ten (10) material matters outlined above. These matters highlight their significance and impact on key stakeholder groups, providing a clear and comprehensive perspective on each issue. Furthermore, each material matter has been expanded to address actual and potential risks, NNDL’s corresponding responses, and the opportunities arising therefrom.

Pillars	Prioritised Material Matters
Environmental	Climate Change GRI 102: Climate Change
Governance	Anti-corruption GRI 205: Anti-corruption

SUSTAINABILITY REPORT

Assessment of Prioritised Material Matters





This section examines NNDL's key material matters by outlining the associated risks, potential opportunities, and the strategies implemented to address them. It provides a structured basis for informed decision-making, helping NNDL navigate challenges, seize opportunities, and support long-term sustainable growth.

Pillars	Prioritised Material Matters	Risks	Opportunities & responses	Policy	Stakeholders	UN SDGs
Environmental	1: Climate Change	<p>Actual Risk: Related to regulatory compliance, operational inefficiencies in energy and resource usage, and gaps in environmental data management, which may impact costs, transparency, and stakeholder confidence.</p> <p>Potential Risk: Rising carbon costs, increasing customer and regulatory expectations, supply chain sustainability challenges, and potential reputational impacts if climate actions are not sufficiently robust or measurable.</p>	<p>Opportunity: Cost savings through improved energy efficiency, access to green financing and government incentives, enhanced market competitiveness, and stronger supply chain collaboration.</p> <p>Response/Strategy: Focused on strengthening climate governance, developing a decarbonisation roadmap, establishing measurable environmental targets, improving ESG data and disclosures, and actively engaging stakeholders across the value chain.</p>	Climate Change Policy	Employees, Vendors, Customers, Regulators, and Shareholders and Investors	  
	2: Anti-corruption	<p>Actual Risk: Bribery can undermine the quality of care, lead to legal penalties, tarnish the organisation's reputation, and weaken trust among patients, staff, and regulatory authorities.</p> <p>Potential Risk: Complying with international healthcare regulations and anti-corruption laws can be challenging, and failure to do so may result in reputational damage, legal sanctions, and financial penalties, especially in competitive or less-regulated markets.</p>	<p>Opportunity: NNDL can strengthen its reputation and competitive position by implementing a robust anti-corruption framework that promotes transparency, reinforces ethical conduct, builds stakeholder trust, and supports attracting responsible partnerships and investments.</p> <p>Response/Strategy: NNDL will adopt a zero-tolerance approach to corruption, supported by employee training, robust reporting channels, and regular audits, to deter unethical practices, promote transparency, strengthen trust, and support long-term sustainable growth.</p>	Anti-bribery and corruption policy	Employees, Vendors, Customers, Regulators, and Shareholders and Investors	



SUSTAINABILITY REPORT

Engagement: Stakeholders

NNDL recognises that sustainable growth depends on understanding and responding to stakeholder expectations. To address key issues, NNDL maintains open and constructive engagement with stakeholders and participates in relevant industry and government forums. The key stakeholder groups, comprising those who influence or are affected by NNDL, are outlined below, along with their respective engagement channels and main areas of interest.

Who	Why	When	How	What issues
Employees 	NNDL engages employees to foster motivation, retain talent, encourage innovation, and ensure alignment with the company's goals, while promoting a positive work environment and supporting long-term business sustainability.	As and when	NNDL engages employees through open communication, feedback, training, recognition, involvement in initiatives, and well-being programs to foster motivation, growth, and alignment with organisational goals.	Policies, wages and benefits, company culture, talent management and training.
Communities 	NNDL engages with communities to understand their needs, support local development, and ensure its operations contribute positively to society, building trust and fostering long-term, sustainable relationships.	As and when	NNDL engages communities through consultations, partnerships, social and environmental initiatives, feedback channels, transparent communication, and local employment and sourcing programs to create shared value and sustainable impact.	Projects, givebacks and community development.
Customers and consumers 	NNDL engages customers and consumers to understand their needs and preferences, improve products and services, build trust and loyalty, and ensure its speciality chemicals and colour systems meet global market expectations while supporting sustainable business practices.	As and When Weekly Yearly	NNDL engages customers and consumers through communication, feedback, collaborative development, support services, education, and transparent reporting to meet their needs and foster trust and loyalty.	Products and pricing, product safety, product launches, sustainable economic solutions, deliveries and returns.
Government and regulators 	NNDL engages with government and regulators to ensure compliance with laws and standards, provides input on policies, mitigates risks, and fosters transparent, long-term relationships that support sustainable operations.	Yearly	NNDL engages with government and regulators through compliance reporting, including sustainability and annual reports, to ensure its operations meet legal, safety, and environmental standards and support responsible, sustainable practices.	New policies, new standards, guidelines compliance, and environmental safety.

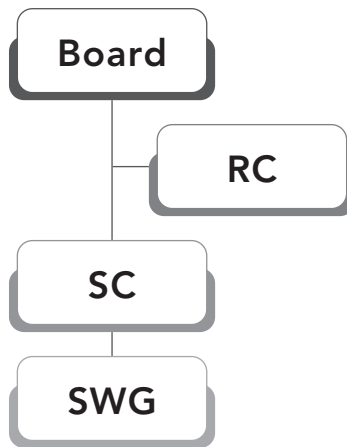
SUSTAINABILITY REPORT

Who	Why	When	How	What issues
Shareholders and investors 	NNDL engages shareholders and investors by keeping them informed of financial performance, strategic initiatives, and sustainability efforts, building confidence and supporting long-term growth.	As and when Yearly	NNDL engages shareholders and investors through its General Meeting, corporate website, and SGXNet, as well as regular financial and sustainability reporting, ensuring transparency, accountability, and informed decision-making.	Group economic developments, dividends and returns, investment opportunities, and new projects.
Vendors 	NNDL engages with vendors to ensure a reliable supply of speciality chemicals and colour systems, maintain quality, support smooth operations, and minimise environmental impact, while building transparent relationships with stakeholders.	As and when	NNDL engages with vendors through regular communication, collaborative planning, performance reviews, and sustainability initiatives to ensure quality, operational efficiency, and responsible supply chain practices.	Delivery, new products, defects and sustainable sourcing and tracing.

SUSTAINABILITY FRAMEWORK

Governance Structure

NNDL is committed to maintaining integrity and accountability, with a strong focus on sustainability. NNDL upholds the highest standards of integrity and operational efficiency in executing its sustainability initiatives by clearly defining roles and responsibilities. The structure presented below outlines the specific responsibilities of the Board of Directors (the “**Board**”), Risk Committee (“**RC**”), Sustainability Council (“**SC**”), and Sustainability Working Group (“**SWG**”) in addressing sustainability and climate-related matters, supporting NNDL’s long-term sustainable growth.



SUSTAINABILITY REPORT

The Board is responsible for setting the overall direction and sustainability strategy for NNDL, including climate-related and ESG matters. It provides guidance on key sustainability priorities and ensures integration into the Group's long-term business objectives, strategy, risk management, budgets, and planning. The Board oversees the implementation of sustainability initiatives, evaluates progress against goals and targets, and ensures alignment with stakeholder expectations and regulatory requirements. It is the ultimate governing body responsible for sustainability and climate-related policies and strategies.

RC provides oversight of broader sustainability trends, risks, and opportunities, ensuring that sustainability considerations are aligned with the Group's overall strategy. RC evaluates emerging risks and potential impacts, including climate-related and ESG risks, and communicates recommendations, findings, and significant issues to the Board. This helps the Board make informed decisions and maintain proactive risk management in sustainability matters.

SC engages leadership across business units and functions, providing further oversight and strategic guidance on sustainability initiatives. SC formulates sustainability objectives, targets, priorities, policies, and goals, ensuring they align with NNDL's strategic direction. SC monitors and tracks sustainability and climate-related performance across the organisation, identifies areas for improvement, and ensures progress toward defined targets. SC works closely with the RC to align sustainability priorities with identified risks and opportunities.

SWG is responsible for implementing the sustainability action plan on a day-to-day basis. SWG prepares and maintains the sustainability report and disclosures, ensuring accurate and transparent reporting. SWG supports the SC in monitoring and tracking sustainability performance, translating strategic objectives into tangible actions, assessing potential impacts, and reporting progress against sustainability and climate-related goals.

Risk Management

NNDL adopts a proactive approach to identifying and managing risks, including those related to sustainability. Recognising the significance of ESG considerations, NNDL is committed to strengthening organisational resilience and reinforcing stakeholder confidence. Our strategy is founded on interconnected elements that align risks and opportunities with our sustainability pillar and selected UN SDGs. Each material matter is embedded in our risk management framework, underscoring our continued commitment to responsible and sustainable business practices (see page 22).

Sustainability Policy

NNDL's sustainability policy establishes guiding principles to promote responsible practices across environmental, social, and governance dimensions. These policies are designed to safeguard NNDL's long-term interests while minimising adverse impacts on the environment, society, governance and the climate.

SUSTAINABILITY REPORT

SUSTAINABILITY SCOREBOARD

The Sustainability Scoreboard provides a clear overview of NNDL's key sustainability targets, performance indicators, and progress during the financial year. It enables transparent tracking of our commitments across environmental, social, and governance priorities, demonstrating accountability and supporting continuous improvement.

ENVIRONMENTAL SCOREBOARD

Environmental sustainability is a fundamental part of the Group's identity and strategic vision. The Group is dedicated to reducing its environmental impact through efficient resource management, emissions reduction, and the use of sustainable technologies. Key initiatives focus on energy efficiency, water conservation, and circular practices such as recycling and reuse. Ongoing monitoring ensures regulatory compliance and drives continual improvement in environmental performance.

The Group follows the ISO 14001 Environmental Management System to structure environmental practices, manage risks, minimise waste, and enhance operational efficiency. Sustainability is integrated across product development, manufacturing, and application processes, with guidance provided to customers for responsible product use. By engaging employees, suppliers, and the wider community, the Group fosters a culture of sustainability and reinforces its commitment to long-term environmental stewardship.

Material Matter: Climate Change

The Group recognises the importance of addressing climate change and is taking active steps to strengthen its environmental management practices in line with applicable regulations and stakeholder expectations. Efforts focus on enhancing energy and resource efficiency across operations and on exploring opportunities to reduce greenhouse gas emissions wherever feasible.

The Group continues to engage with customers, suppliers, and industry partners to promote responsible environmental practices throughout the value chain. It also maintains compliance with relevant environmental standards and seeks to improve transparency by periodically disclosing its environmental performance.

Material Matters: GHG Emissions Management and Energy Management

The Group acknowledges the environmental impact of its operations and is committed to reducing its carbon footprint through sustainable practices and energy-efficient initiatives. The shift from coal to natural gas has significantly lowered emissions, improved workplace conditions, and reduced the carbon footprint of our products, while supporting customers in achieving their carbon neutrality objectives.

NNDL has been recognised with the LowCarbonSG Logo for making measurable progress in tracking, managing, and reducing carbon emissions. The program, led by the Carbon Pricing Leadership Coalition Singapore and supported by the National Environment Agency and Enterprise Singapore, aligns with the Singapore Green Plan 2030 and helps local businesses transition to low-carbon operations. Through its participation, NNDL demonstrates its commitment to environmental accountability, continuous improvement in carbon management, and keeping sustainability at the core of its operations.

SUSTAINABILITY REPORT

The Group reports its carbon footprint in metric tonnes of carbon dioxide equivalent ("**tonnes CO₂e**"). This includes Direct ("**Scope 1**") emissions from sources under the Group's control and Indirect ("**Scope 2**") emissions arising from energy consumption. The reported emissions cover only Scope 1 and Scope 2, excluding emissions from suppliers or other indirect sources. Emissions from electricity, diesel, and other energy sources are calculated using recognised emission factors from the UK and Singapore, aligned with ISO 14064-1 standards.

Scope 1

NNDL continues to strengthen its sustainability commitment by enhancing operational efficiency and environmental performance across its operations. The Group prioritises reducing its Scope 1 carbon footprint, which primarily arises from fuel combustion in company-owned vehicles. Fuel usage and emissions are closely monitored to identify opportunities for reduction and optimise efficiency, supporting sustainable practices and the Group's broader environmental stewardship objectives.

Scope 1 emissions (tonnes CO ₂ e)	FY2025	FY2024	FY2023
Scope 1 emissions	22.70	33.98	14.48
Scope 1 emission intensity/revenue (tonnes CO ₂ e/SGD'000)	3.88	4.85	1.97

Fuel consumption (litres)	FY2025	FY2024*	FY2023*
Petrol	10,894.25	18,721.05	7,953.08
Intensity: fuel consumption/revenue (litres/SGD'000)	1,859.41	2,673.67	1,081.46

* Fuel consumption has been converted from GJ to litres for consistency.

Scope 2

Scope 2 refers to indirect greenhouse gas emissions from the electricity purchased to power NNDL's manufacturing facilities, research laboratories, corporate offices, and supporting operations. These emissions result from the external generation of electricity used in production, formulation, and other operational activities. In line with its sustainability commitment, NNDL actively monitors and manages Scope 2 emissions, recognising their contribution to the Group's overall environmental footprint.

To minimise its ecological footprint and reduce operational costs while maintaining the reliability and efficiency of its facilities, NNDL implements energy-efficient solutions and optimises resource use. The Group works toward a more sustainable and responsible business model. Key measures include optimising lighting and air conditioning usage, promoting energy-saving habits among employees, and regularly communicating tips to reduce electricity consumption across offices, laboratories, and manufacturing facilities.

SUSTAINABILITY REPORT

NNDL is also committed to supporting sustainable textile production by helping partners meet quality and environmental requirements while using natural resources efficiently. The Group's Megapro® solutions enhance industrial efficiency, reduce energy consumption, and enable the replacement of traditional chemicals with sustainable alternatives. Innovations such as Megapro ECO(R)®, which eliminates the need for salt in cotton dyeing, and Megafix® RE for low-temperature reactive dyeing, deliver environmental and cost-saving benefits while improving production efficiency. Through these efforts, we have delivered reductions in Scope 2 emissions and emissions intensity, driven by improved energy efficiency, optimised operations, and reduced environmental impact.

Scope 2 emissions are calculated using grid emission factors supplied by the Singapore Energy Market Authority. Singapore Energy Market Authority tracks energy consumption in kilowatt-hours ("kWh"), providing a consistent basis for evaluating operational efficiency and environmental impact.

Scope 2 emissions (tonnes CO ₂ e)	FY2025	FY2024	FY2023
Scope 2 emissions	27.79	80.59	72.90
Scope 2 emission intensity/revenue (tonnes CO ₂ e/SGD'000)	4.74	11.51	9.91

Electric consumption (kWh)	FY2025	FY2024*	FY2023*
Government electricity	66,671	127,670	131,811
Intensity: electricity consumption/revenue (kWh/SGD'000)	11,379.25	18,233.30	17,923.74

* Electricity consumption has been converted from GJ to kWh for consistency.

GHG Intensity

GHG emissions, expressed as carbon intensity, measure the amount of greenhouse gases generated per unit of activity, output, or performance, providing a key indicator of environmental impact. NNDL uses the revenue as a metric to identify opportunities to reduce its carbon footprint and improve sustainability performance.

SGD ('000)	FY2025	FY2024	FY2023
Total Revenue	5,859	7,002	7,354

In response to the urgent global challenge of climate change, lowering emissions intensity is critical for limiting global warming. NNDL remains committed to a low-carbon future by promoting energy efficiency and pursuing ambitious emission reduction targets.

Total emissions (tonnes CO ₂ e)	FY2025	FY2024	FY2023
Scope 1 emissions	22.70	33.98	14.48
Scope 2 emissions	27.79	80.59	72.90
Total emissions	50.49	114.57	87.38
Total emission intensity/revenue (tonnes CO ₂ e/SGD'000)	8.62	16.36	11.88

SUSTAINABILITY REPORT

Material Matter: Water Management

NNDL recognises the critical importance of water for its operations and the communities it serves. Effective water management is essential for long-term business sustainability and the preservation of this vital resource. The Group implements strategies to reduce water consumption and minimise pollution, including upgrading to water-efficient equipment, optimising water use in production, promoting employee awareness of conservation practices, and closely monitoring consumption and wastewater quality to ensure compliance with local regulations.

NNDL is also a strong advocate of the Zero Discharge of Hazardous Chemicals (“ZDHC”) program, which aims to eliminate hazardous substances in the textile and related industries. Currently, 99 of NNDL’s products have achieved ZDHC Level 3 certification, the highest standard, verified through MRSL testing and on-site audits. This initiative promotes safer chemicals, smarter processes, and better outputs, ensuring wastewater treatment meets strict environmental standards. Innovations such as Megapro ECO® further reduce water, energy, and operational costs while supporting compliance with environmental regulations, reinforcing NNDL’s commitment to sustainable and responsible water management across its operations and value chain.

Water consumption is quantified in cubic metres (“m³”), with one cubic metre equivalent to 1,000 litres of water.

Water Usage and Sources (m ³)	FY2025	FY2024	FY2023
Government water	469.30	690.30	767.00
Intensity: Water consumption/revenue (m ³ /SGD'000)	80.10	98.59	104.30

Material Matter: Waste Management

Waste management has been identified as a material matter for NNDL based on the materiality assessment, reflecting its potential environmental impact and relevance to stakeholders. However, NNDL is currently in the early stages of developing formal waste tracking and management systems, and comprehensive data is not yet available for disclosure in this reporting period.

The Company remains committed to strengthening its approach to waste management and is establishing appropriate frameworks, policies, and data collection mechanisms. NNDL aims to provide more detailed disclosures, including performance metrics and targets, in future sustainability reports as these systems are further developed and implemented.

SUSTAINABILITY REPORT

SOCIAL SCOREBOARD

NNDL is committed to social responsibility, recognising that employees are the backbone of the organisation. The Group prioritises their safety, well-being, and professional development, fostering an inclusive, engaging, and collaborative workplace culture that attracts talent and encourages innovation. NNDL's Employee Handbook provides clear guidance on employee rights, responsibilities, and opportunities for career growth, reinforcing its commitment to equality and respect across all levels of the organisation.

At the same time, NNDL upholds its responsibility to customers by delivering high-quality, safe, and ethically sourced products. The Group actively engages with customers to understand their evolving needs, ensuring that products and services meet expectations for quality, safety, and data privacy. By maintaining transparency and prioritising customer satisfaction, NNDL strengthens trust and cultivates long-term loyalty, reflecting its broader commitment to sustainable and responsible business practices.

Material Matter: Employment

NNDL prioritises employee retention and well-being through comprehensive benefits, parental leave, health programmes, and age-friendly initiatives. Experienced employees are supported to mentor younger colleagues, ensuring knowledge transfer and operational continuity. Transparent communication, including advance notice for significant operational changes, reinforces trust and collaboration across the organisation.

Ethical employment practices are rigorously upheld, with zero tolerance for child or forced labour, adherence to human rights standards, and mechanisms for grievance resolution and whistleblowing. Equal employment opportunities, fair compensation, and a harassment-free workplace are embedded in NNDL's policies. These efforts cultivate a secure, equitable, and supportive work environment, empowering employees to contribute meaningfully to NNDL's long-term success.

Diversity and inclusion among NNDL's employees are central to fostering a collaborative and innovative workplace. A workforce with varied backgrounds, experiences, and perspectives enhances problem-solving, drives creative solutions, and strengthens overall business performance. By promoting an inclusive environment, NNDL demonstrates its commitment to ethical practices, equal opportunities, and long-term social impact.

Management Diversity	FY2025	FY2024	FY2023
Number of employees	60	65	72
Number of female managers	6	4	5
Percentage of female managers (%)*	10	6	7
Number of female Senior Management	2	2	2
Percentage of female Senior Management (%)*	3	3	3

* The percentage is calculated based on the number of employees

SUSTAINABILITY REPORT

Diversity Data		FY2025			FY2024			FY2023		
Gender		Female	Male		Female	Male		Female	Male	
Current employee	%	47	53		42	58		40	60	
New hires	%	29	25		4	0		10	5	
New hires	no.	8	8		1	0		3	2	
Net Separation	no.	7	14		3	5		2	4	
Employee at the start of the period	no.	27	38		29	43		35	54	
Employee at the end of the period	no.	28	32		27	38		29	43	
Net Turnover	%	25	40		11	12		6	8	
Age-based Diversity		< 30	30 – 50	> 50	< 30	30 – 50	> 50	< 30	30 – 50	> 50
Current employee	%	6	57	37	31	51	18	28	47	25
New hires	%	12	38	50	0	100	0	40	60	0
New hires	no.	2	6	8	0	1	0	2	3	0
Net Separation	no.	0	12	9	0	2	6	2	3	1
Employee at the start of the period	no.	2	40	23	20	34	18	3	51	35
Employee at the end of the period	no.	4	34	22	20	33	12	20	34	18
Net Turnover	%	0	32	40	0	6	40	17	7	4
Employment		FY2025			FY2024			FY2023		
Net Separation	no.	21			1			6		
Net Turnover	%	34			8			7		
Total employee	no.	60			65			72		
Development & training		FY2025			FY2024			FY2023		
Training hours	Hrs	27	157		210	295		261	287	
Average training hours/employee	Hrs/no.	0.96	4.89		7.76	7.75		9	6.67	
Average training hours/employee	Hrs/no.	3.06			7.75			7.61		

Material Matter: Training and Development

Training and development are central to enhancing employee skills, workplace safety, and long-term career growth, contributing to the overall success of NNDL. Investing in professional growth enables employees to remain competitive and adaptable to evolving industry demands, thereby driving innovation and efficiency within the Group. To support this, NNDL ensures that effective career development and performance management are in place through clear, measurable goals aligned with the Group's strategic objectives. Employees work collaboratively with management to create personalised development plans that identify career aspirations, required skills, and timelines for achieving milestones. Regular safety training for laboratory staff and funding support for external education programs further help employees expand their expertise and maintain industry relevance.

SUSTAINABILITY REPORT

NNDL also supports employees approaching retirement through pre-retirement planning and retraining initiatives, facilitating a smooth transition to the next phase of life. In accordance with the Retirement and Reemployment Act, severance pay is determined by age and years of service. In contrast, job placement services and part-time re-employment opportunities help employees continue contributing to the workforce. These initiatives, combined with a focus on continuous professional growth, reinforce NNDL's commitment to nurturing a skilled, motivated, and adaptable workforce.

Development & Training		FY2025		FY2024		FY2023	
		Female	Male	Female	Male	Female	Male
Training hours	Hrs	27	157	210	295	261	287
Average training hours/employee	Hrs/no.	0.96	4.89	7.76	7.75	9.00	6.67
Average training hours/employee	Hrs/no.	3.06		7.75		7.61	

Below are various training programs conducted in FY2025.

Training Category	Training Hours
Environmental Management	20
Financial Management	34
Information System	20
Leadership and Management Development	110
	184

Material Matter: Health and Safety

NNDL recognises that health and safety are essential to sustainable business operations and stakeholder trust. By emphasising occupational health and safety, customer health and safety, product safety and quality, responsible marketing and labelling, and data safety and protection, the Group aims to prevent harm, minimise risks, and promote responsible practices across its value chain. Embedding these considerations into daily operations and strategic planning ensures that employees, customers, and end-users can engage safely with NNDL, reflecting the Group's commitment to regulatory compliance, continuous improvement, and long-term social and environmental stewardship.

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Occupational Health and Safety

NNDL is committed to maintaining high safety standards through robust work safety management systems, emergency preparedness plans, and environmentally sustainable practices. Aligned with OHSAS 18001:2007 standards, our procedures ensure systematic hazard identification, risk assessment, and preventive measures. Employees follow strict safety protocols, including proper use of PPE, to minimise workplace hazards and prevent accidents. Our comprehensive Emergency Response Plan covers incident response, evacuation, and hazard containment, with a focus on safe hazardous-waste management, including proper handling, storage, and disposal of chemicals in compliance with the National Environment Agency and Singapore Police Force licenses.

Regular risk assessments and a maintained risk register enable us to identify and manage workplace hazards proactively. By continuously monitoring conditions, updating protocols, and fostering a culture of safety, NNDL prevents accidents, reduces operational disruptions, and protects employee well-being. NNDL has maintained three consecutive years with no recordable work-related injuries, demonstrating the effectiveness of the Group's safety initiatives and our workforce's commitment, while upholding our responsibility to employees and the wider community.

Workplace Safety and Health Risk	Number		
	FY2025	FY2024	FY2023
Fatalities as a result of work-related injury	0	0	0
High-consequence work-related injuries (Excluding fatalities)	0	0	0
Recordable work-related injuries	0	0	0
Fatalities as a result of work-related ill health	0	0	0
Recordable work-related health	0	0	0
Number of employees trained on health and safety standards	0	7	0
Lost time incident rate	0	0	0

Customer Health and Safety

NNDL is committed to safeguarding customers by ensuring that all products and services are safe and reliable. Detailed Material Safety Data Sheets ("**MSDS**"), aligned with the United Nations Globally Harmonised System, provide clear guidance on product composition, potential hazards, safe handling, storage, disposal, and emergency procedures. Packaging includes hazard pictograms and warnings to ensure end-users are fully informed of any risks.

Through consistent monitoring and compliance with regulatory standards, NNDL actively manages potential risks to customer health and safety. This approach strengthens trust, supports long-term customer relationships, and reinforces the Group's dedication to delivering high-quality, safe, and responsible products worldwide.

SUSTAINABILITY REPORT

Product Safety and Quality

NNDL is committed to sustainability across all stages of production, prioritising environmental responsibility alongside innovation and quality. The Group maintains rigorous quality standards across its product lines to ensure safety, performance, and regulatory compliance. Its ISO 9001 certification underpins the quality management system, enabling consistent product delivery while promoting operational efficiency and waste reduction.

Through collaboration with globally recognised independent testing and certification bodies such as Bluesign Technologies AG, the Ecological and Toxicological Association of Dyes and Organic Pigments Manufacturers, and the Cradle to Cradle Products Innovation Institute, NNDL ensures that its materials and products meet strict safety, performance, and sustainability standards. These efforts are reinforced by robust quality control practices, with zero incidents of non-compliance affecting product health and safety.

Sustainable innovation remains central to NNDL's approach. Solutions such as Megapro ECO® and Mebyo® Technology, a green biotechnology that combines probiotics and prebiotics, offer non-toxic, biodegradable alternatives to conventional cleaning products. These innovations help reduce environmental pollution, lower cleaning frequency, and decrease overall costs and workforce requirements while maintaining high product performance.

Collectively, these measures ensure that customers receive safe, reliable, and environmentally responsible products that meet global standards and industry expectations.

Marketing and Labelling

NNDL ensures transparency and accountability in all marketing and labelling practices, providing clear, accurate, and consistent information about products. Hazard information from MSDSs is integrated into packaging labels via systems such as YONYOU, ensuring compliance with local and international regulations and enabling safe product handling for customers.

Accurate labelling not only informs end-users but also strengthens NNDL's reputation for responsible business practices. By clearly communicating product safety, environmental considerations, and compliance standards, NNDL fosters customer trust, encourages proper usage, and promotes ethical marketing across its global markets.

Data Safety and Protection

NNDL has implemented a privacy statement to safeguard the security and confidentiality of personal data belonging to all stakeholders, including employees, clients, vendors, and trainees. Our core objective is to handle and use personal data responsibly, supported by robust measures that reflect our firm commitment to data protection and privacy.

As part of our onboarding process, data protection and cybersecurity requirements are outlined in our Code of Conduct. Additionally, we provide optional data security training and conduct random phishing email tests to evaluate employee awareness. These ongoing practices help reinforce a culture of data confidentiality in all communications with colleagues, clients, and stakeholders.

SUSTAINABILITY REPORT

Our commitment to protecting personal data goes beyond regulatory compliance, reflecting our core values and dedication to building stakeholder trust. We regularly review our privacy policies to ensure alignment with evolving legal requirements and industry best practices. By prioritising data security, we uphold the highest standards of confidentiality and demonstrate our responsibility to safeguard stakeholder information.

Data Privacy and Security	FY2025	FY2024	FY2023
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

GOVERNANCE SCOREBOARD

The Governance Scorecard provides a structured overview of the Group's corporate governance practices and performance, benchmarked against applicable regulatory requirements and best practice guidelines. In addition to Board diversity and composition, key focus areas include anti-corruption measures, ethical business conduct, risk management, transparency, and accountability, demonstrating how the Group's governance framework supports sustainable growth and long-term value creation for stakeholders.

Material Matter: Board Diversity and Composition

NNDL is committed to upholding high standards of corporate governance and ensuring full compliance with the Principles of the Code of Corporate Governance. The Group recognises that strong governance is fundamental to maintaining transparency, accountability, and ethical business conduct, which are essential for sustainable growth and long-term stakeholder trust.

The Group's governance framework is anchored on effective Board leadership and oversight, robust internal controls and risk management systems, and strict adherence to a Code of Ethics and Conduct. NNDL promotes transparency through timely and accurate disclosures and active stakeholder engagement. Further details on the Group's corporate governance practices are set out in the Corporate Governance Report.

The distinct separation of the Chairman and Executive Director roles, together with a 67% Board independence ratio in FY2025, demonstrates the Group's strong commitment to transparency and sound governance practices. These measures reinforce our focus on sustainable growth and the creation of long-term value for all stakeholders.

SUSTAINABILITY REPORT

Board Diversity	Number	%	Number	%	Number	%
	FY2025		FY2024		FY2023	
Independent Non-Executive Directors	2	67	3	100	4	67
Executive Director	0	0	2	33	2	33
Non-Independent Non-Executive Director	0	0	1	17	0	0
Foreign Independent Non-Executive Director	0	0	0	0	0	0
Foreign Executive Director	1	33	0	0	0	0
Foreign Non-Independent Non-Executive Director	0	0	0	0	0	0
<30 years old	0	0	0	0	0	0
30-50 years old	1	33	1	17	1	17
>50 years old	2	67	5	83	5	83
Male	3	100	6	100	6	100
Female	0	0	0	0	0	0
PhD	1	33	1	17	2	33
Master	1	33	3	50	2	33
Degree	1	34	2	33	2	34
Other	0	0	0	0	0	0

Material Matter: Anti-Corruption

NNDL adopts a zero-tolerance policy towards corruption, bribery, and unethical business practices. The Group has implemented robust internal controls and compliance measures to prevent fraud and misconduct, ensuring that employees and business partners uphold integrity and accountability in every transaction. The Group's anti-corruption framework is aligned with applicable laws and regulations, reinforcing lawful, ethical, and responsible business conduct.

Employee awareness is supported by clearly documented policies in the Employee Handbook that outline procedures for identifying, addressing, and reporting potential violations. Regular briefings and guidance from senior management strengthen understanding of anti-corruption expectations across all levels of the Group. In addition, the Group maintains a confidential whistleblowing channel. It conducts rigorous due diligence on suppliers, partners, and contractors to ensure adherence to ethical standards through transparent and fair selection processes.

During the reporting period, no incidents of corruption were reported, and no whistleblowing cases were received. The Group maintains a clean record in this regard, underscoring the robustness of its compliance framework and ethical standards.

SUSTAINABILITY REPORT

CLIMATE CHANGE AND TARGET

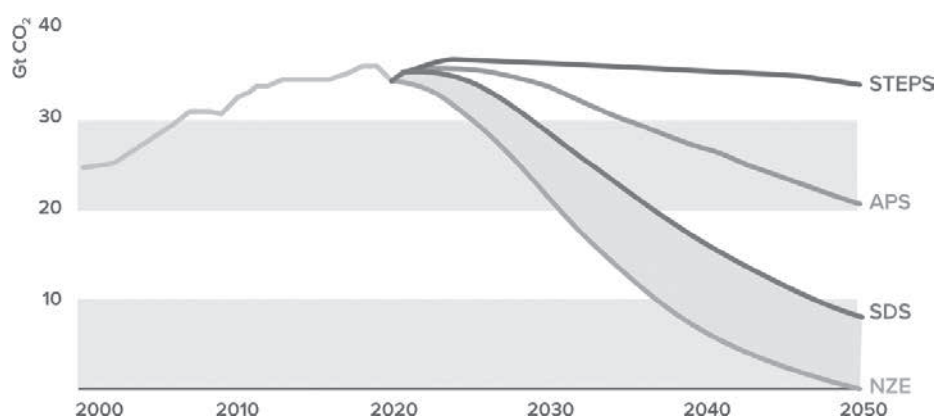
Governance

Similar to other ESG risks, we systematically identify and evaluate climate-related risks in accordance with our corporate risk management processes. To manage ESG risks effectively, the board and senior management continuously monitor, review, and adjust action plans as needed. Our robust governance framework and risk management practices ensure accountability and support the responsible oversight of ESG risks throughout the organisation. Additional information is available in the Governance Structure section on pages 24-25.

Strategy to Combat Climate Change

Climate change presents significant challenges for both society and businesses. While this report includes some climate-related disclosures aligned with the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations, NNDL is actively conducting a comprehensive assessment of the climate-related risks relevant to its operations. We are committed to a phased approach to evaluating these risks and intend to integrate appropriate climate-related financial disclosures into our ongoing sustainability reporting process.

By anticipating a range of climate scenarios, NNDL positions itself to remain resilient while contributing to the global effort to limit warming to two (2) degree celsius (“°C”) or below. Through this forward-looking approach, NNDL seeks to sustain operational resilience amid evolving climate challenges. Its scenario-based strategies are grounded in comprehensive climate risk assessments, supporting business continuity and positioning the organisation to capitalise on sustainability-related opportunities.



Notes:

- STEPS: Stated Policies Scenario (current policies continue).
- APS: Announced Pledges Scenario (countries implement their climate pledges).
- SDS: Sustainable Development Scenario (aligned with well below 2°C Paris goals).
- NZE: Net Zero Emissions by 2050 Scenario (aligned with limiting warming to 1.5°C).

This chart illustrates global carbon dioxide emission trajectories under different climate scenarios. It underscores the emission reductions required to meet international climate goals, highlighting the continued importance of improving energy efficiency and adopting lower-carbon practices across industries.

SUSTAINABILITY REPORT

Risk management

The identification, prioritisation, assessment, management, and monitoring of climate-related risks are incorporated into NNDL’s broader risk management processes, consistent with the approach for other material ESG risks. In line with the requirements of International Financial Reporting Standards S1 and S2, NNDL integrates short-, medium-, and long-term sustainability-related risks and opportunities (“**SrROs**”) and climate-related risks and opportunities (“**CrROs**”) into its governance and oversight structures. The RC oversees risk assessments under NNDL’s sustainability framework and reports directly to the board.

These assessments draw on operational data, stakeholder input, industry benchmarks, and regulatory guidelines to address areas such as supply chain management and compliance. Scenario analysis is used to evaluate climate, regulatory, and financial risks, which are then prioritised based on their likelihood and potential impact. Climate-related risks and opportunities encompass both acute and chronic physical risks, as well as transition risks associated with policy, legal, technological, and market changes on the pathway to achieving net zero by 2050.

NNDL continues to focus on mitigating these risks while seizing opportunities, especially those related to the energy transition and efficiency enhancements.

Time Horizon (IFRS S1-30(b))	Short-term	Medium-term	Long-term
	Within 1 year	> 1 year	> 5 years
Climate Barometer			
Physical Risk (IFRS S2-3, Appendix A)	Acute		Chronic
Transition Risk (IFRS S2-3)		Policy, legal, technological, and market risks impact NZE by 2050	

Target and Sustainability Performance

NNDL considers its targets and sustainability performance, guided by the GRI Standards, as fundamental to promoting transparency and accountability in ESG reporting. The GRI framework underpins NNDL’s comprehensive approach and provides a globally recognised standard for key indicators, including emissions reduction, resource efficiency, labour practices, and corporate governance. By aligning with these guidelines, NNDL ensures its sustainability objectives are clearly defined, measurable, and regularly monitored, supporting continuous improvement across all ESG areas. Clear targets and transparent reporting allow stakeholders, including investors, customers, regulators, and communities, to assess NNDL’s overall ESG impact and identify opportunities for engagement and enhancement.

Beyond reporting, following GRI standards serves as a strategic tool for managing risks, building trust, and delivering long-term value to society and shareholders. Transparent disclosure strengthens stakeholder confidence, reinforces NNDL’s role as a responsible corporate citizen, and enhances industry leadership. This approach promotes innovation, attracts investment, and advances broader sustainability goals such as environmental stewardship and social responsibility, while keeping NNDL prepared to address reputational, operational, and regulatory ESG risks.

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Pillars	Material Matters	Target			Performance		
		Short-term FY2026	Medium-term FY2027-FY2030	Long-term (≥FY2031)	FY2025	FY2024	FY2023
Environmental	GHG Emissions Management	9.00	6.00	3.00	3.88	4.85	1.97
		tCO ₂ e/SGD 1,000,000					
	Energy Management	85.00	70.00	50.00	4.74	11.51	9.91
		tCO ₂ e/SGD 1,000,000					
	Water Management	90	80	70	80.10	98.59	104.30
		m ³ /SGD 1,000,000					
Social	Employment	Employee hiring rate at			26.7%	1.5%	6.9%
		8.0%	10.0%	15.0%			
		Employee turnover at			33.6%	11.7%	7.5%
		8.0%	6.0%	5.0%			
	Health and Safety	Maintain a record of zero recordable injuries.			Met	Met	Met
		Maintain a record of zero complaints on product quality.			Met	Met	Met
Maintain a record of zero complaints from external parties or regulatory bodies regarding breaches of customer privacy.			Met	Met	Met		
Governance	Board Diversity and Composition	Comply with the Code of Corporate Governance and meet all requirements that are expected of us by our stakeholders.			Met	Met	Met
		Maintain high standards of conduct and ethical behaviour in all our business activities and support a culture of compliance and good corporate governance.			Met	Met	Met
	Anti-Corruption	Maintain zero reported incidents of discrimination and corruption cases.			Met	Met	Met

SUSTAINABILITY REPORT

GRI Content Index

GRI offers a comprehensive framework for sustainability reporting, guiding the content of reports and the selection of relevant indicators. As the most widely adopted global standard, the GRI content index, as set out below for FY2025, follows the latest GRI Universal Standards 2021, including references to GRI 1: Foundation 2021.

GRI Standard	Unit	Disclosure	Topics	Page
GRI 2: General Disclosures 2021	2-2	Entities included in the organisation's sustainability reporting	Key Frameworks Applied and Scope of the Report	15
	2-3	Reporting period, frequency and contact point	Key Frameworks Applied and Scope of the Report	15
			Feedback	15
	2-7	Employees	Material Matter: Employment	30
	2-14	Role of the highest governance body in sustainability reporting	Governance Structure	24
	2-15	Conflicts of interest	Material Matter: Anti-Corruption	36
	2-16	Communication of critical concerns	Engagement: Stakeholders	23
	2-17	Collective knowledge of the highest governance body	Governance Structure	24
	2-22	Statement on sustainable development strategy	Sustainability Strategy	17
	2-23	Policy commitments	Sustainability Policy	25
	2-24	Embedding policy commitments		
	2-26	Mechanisms for seeking advice and raising concerns	Feedback	15
2-29	Approach to stakeholder engagement	Engagement: Stakeholders	23	
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Methodology	19
	3-2	List of material topics	Identification: Materiality Assessment	19
	3-3	Management of material topics	Verification: Material Matters	21

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GRI Standard	Unit	Disclosure	Topics	Page
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Material Matter: Anti-Corruption	36
	205-2	Communication and training about anti-corruption policies and procedures		
	205-3	Confirmed incidents of corruption and actions taken		
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Material Matters: GHG Emissions Management and Energy Management	26
	302-1	Energy consumption within the organisation		
GRI 303: Water and Effluents 2018	303-5	Water consumption	Material Matter: Water Management	29
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Material Matters: GHG Emissions Management and Energy Management	26
	305-2	Energy indirect (Scope 2) GHG emissions		
	305-4	GHG emissions intensity		
GRI 306: Effluents and Waste 2016	306-3	Waste generated	Material Matter: Waste Management	29
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Material Matter: Employment	30
GRI 403: Occupational Health and Safety	403-1	OHS management system	Material Matter: Health and Safety	32
	403-3	Worker participation and training		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Material Matter: Training and Development	31
GRI 405: Diversity of governance bodies and employees	405-1	Diversity of governance bodies and employees	Material Matter: Employment	30
GRI 416: Customer Health and Safety (2016)	416-1	Assessment of the health and safety impacts of products and services	Material Matter: Health and Safety	32
GRI 417: Marketing and Labelling (2016)	417-1	Requirements for product and service information and labelling	Material Matter: Health and Safety	32
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Material Matter: Health and Safety	32

SUSTAINABILITY REPORT

SGX's Core ESG Metrics Index

Pillar	Topic	Metric	Unit	Framework Alignment	Page
Environmental	Greenhouse Gas Emissions	Absolute emissions by (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	tonnes CO ₂ e	GRI 305-1, GRI 305-2, TCFD, SASB 110, WEF core metrics	26
		Emission intensities by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	tonnes CO ₂ e/organisation-specific metrics	GRI 305-4, TCFD, SASB 110	26
	Energy Consumption	Total energy consumption	kWhs or GJ	GRI 302-1, TCFD, SASB 130	26
		Energy consumption intensity	kWhs or GJ/organisation-specific metrics	GRI 302-3, TCFD	26
	Water Consumption	Total water consumption	ML or m ³	GRI 303-5, SASB 140, TCFD, WEF core metrics	29
		Water consumption intensity	ML or m ³ /organisation specific metrics	TCFD, SASB IF-RE-140a.1	29
	Waste Generation	Total waste generated	Kg	GRI 306-3, SASB 150, TCFD, WEF expanded metrics	29
	Social	Gender Diversity	Current employees by gender	Percentage (%)	GRI 405-1, SASB 330, WEF core metrics
New hires and turnover by gender			Percentage (%)	GRI 401-1, WEF core metrics	30
Age-Based Diversity		Current employees by age Groups	Percentage (%)	GRI 405-1, WEF core metrics	30
		New hires and turnover by age Groups	Percentage (%)	GRI 401-1, WEF core metrics	30
Employment		Total turnover	Number and Percentage (%)	GRI 401-1, SASB 310, WEF core metrics	30
		Total number of employees	Number	GRI 2-7	30

SUSTAINABILITY REPORT

Pillar	Topic	Metric	Unit	Framework Alignment	Page
	Development & Training	Average training hours per employee	Hours/No. of employees	GRI 404-1, WEF core metrics	31
		Average training hours per employee by gender metrics	Hours/No. of employees	GRI 404-1, WEF core metrics	31
Governance	Board Composition	Board independence	Percentage (%)	GRI 2-9, WEF core metrics	35
		Women on the Board	Percentage (%)	GRI 2-9, GRI 405-1, WEF core metrics	35
	Management Diversity	Women in the management team	Percentage (%)	GRI 2-9, GRI 405-1, WEF core metrics, SASB 330	30
	Ethical Behaviour	Anti-corruption disclosures	Discussion and number of standards	GRI 205-1, GRI 205-2 and GRI 205-3	36
		Anti-corruption training for employees	Number and Percentage (%)	GRI 205-2, WEF core metrics	100%
	Certifications	List of relevant certifications	List	Commonly reported metric by SGX issuers	ISO9001 ISO14001
	Alignment with Frameworks	Alignment with frameworks and disclosure practices	GRI/TCFD/SASB/SDGs/others	SGX-ST Listing Rules (Catalist) 711A and 711B, relevant Practice Note	GRI
Assurance	Assurance of the sustainability report	Internal/External/ None	GRI 2-5, SGX-ST Listing Rules (Catalist) 711A and 711B, relevant Practice Note	Internal	

CORPORATE GOVERNANCE REPORT

The board of directors (the “**Board**”) and the management (the “**Management**”) of Nanyang New Development Limited (the “**Company**”) and its subsidiaries (the “**Group**”) are committed to achieving high standards of corporate governance to ensure investor confidence in the Group as a trusted business enterprise. The Board and the Management of the Company continue to uphold good corporate governance practices to enhance long-term sustainability of the Group’s business, performance, and shareholders’ interests.

This corporate governance report (“**Report**”) describes the Group’s corporate governance structures and practices for the financial year ended 31 December 2025 (“**FY2025**”), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) and the accompanying Practice Guidance. This Report is required as part of the continuing obligations of the Company pursuant to the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The Board is pleased to confirm that for FY2025, the Group has adhered to the principles and provisions as set out in the Code and in respect of any deviation from any provisions of the Code, it has explicitly stated the provision from which it has varied, explained the reason for variation, and explained how the practices it had adopted are consistent with the intent of the relevant principle.

- A. BOARD MATTERS
- B. REMUNERATION MATTERS
- C. ACCOUNTABILITY AND AUDIT
- D. SHAREHOLDER RIGHTS AND ENGAGEMENT
- E. MANAGING STAKEHOLDERS RELATIONSHIP

- A. BOARD MATTERS

THE BOARD’S CONDUCT OF ITS 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. – *Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.*

The Board assumes responsibility for stewardship of the Group and is primarily responsible for the protection and enhancement of long-term value and returns for shareholders. It has oversight responsibility over the management of the business and affairs of the Group. The Board also sets the tone for the Group where ethics and values are concerned.

CORPORATE GOVERNANCE REPORT

As at the date of this Report, the Company is headed by an effective Board of four (4) directors (the “**Directors**”), comprising one (1) Executive Director (“**Executive Director**”), and three (3) Independent and Non-Executive Directors (the “**Independent Directors**”) (including the Chairman). Together, the Directors have a wide range of business, compliance and financial experience that collectively contribute to the success of the Group.

The Board acts objectively in the best interests of the Company and is collectively responsible and works with Management for the long-term success of the Company, to protect and enhance long-term value and returns for shareholders.

The Board also:

1. provides leadership and guidance on the overall strategic direction, oversees the proper conduct of the business, performance and affairs of the Group and ensures that the necessary financial, human and operational resources are in place for the Group to meet its objectives;
2. sets appropriate tone-from-the-top in relation to ethics, values and desired organizational culture;
3. ensures proper accountability within the Company;
4. sets objective performance criteria to evaluate the Board, individual Directors and Board Committees’ performance and succession planning process;
5. reviews the adequacy and effectiveness of the Group’s risk management and internal controls framework including financial, operational, compliance and information technology controls and establishing risk appetite and parameters to safeguard shareholders’ interests and the Group’s assets;
6. reviews and approves key operational and business initiatives, major funding proposals, significant investment and divestment proposals and other corporate actions and strategic initiatives proposed by Management;
7. reviews the Group’s operating and financial performance and approves the Group’s annual budgets and capital expenditure and the release of the Group’s half year and full year financial results;
8. approves all Board appointments/re-appointments and appointment of key management personnel (persons having authority and responsibility for planning, directing and controlling the activities of the Company) (“**Key Management Personnel**” or “**KMP**”), evaluates their performance and reviews their remuneration packages;
9. establishes goals and priorities for Management and reviews Management’s performance by monitoring the achievement of these goals;
10. approves the nominations by the Nominating Committee;
11. reviews recommendations made by the Audit Committee on the appointment, re-appointment or removal of the Group’s Chief Financial Officer, and the external and internal auditors;

CORPORATE GOVERNANCE REPORT

12. reviews recommendations made by the Remuneration Committee and approves the remuneration packages for the Board and KMP;
13. identifies the key stakeholder groups and recognises that their perceptions affect the Company's reputation;
14. sets the Company's values and standards (including ethical standards), and ensures that obligations to shareholders and other stakeholders are understood and met; and
15. considers sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

Independent Judgement

All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group. The Directors have the appropriate core competencies and diversity of experience that enable them to contribute effectively. They are able to objectively raise issues and seek clarification as and when necessary, from the Board and the Management on matters pertaining to their area of responsibilities, actively help the Management in the development of strategic proposals and overseeing the effective implementation by the Management to achieve the objectives.

Conflicts of Interest

Every Director is required to disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as practicable after the relevant facts have come to his/her knowledge. On an annual basis, each Director is also required to submit details of his/her associates for the purpose of monitoring interested person transactions. When there is an actual or potential conflicts of interest, the concerned Director shall, abstain from voting, and recuse himself/herself from discussions and decisions involving the issues of conflict.

Sanctions-related risks

In view of recent geopolitical developments, while the Company is currently not subject to any sanctions-related laws, the Board and the Audit Committee will continue to monitor such developments and assess the Company's risk of becoming subject to, or violating, any sanctions law. The Board and the Audit Committee will also ensure timely and accurate disclosure to the SGX-ST and other relevant authorities on such risks where applicable, and if deemed necessary, engage relevant professional advisers to assist them in such matters.

Provision 1.2 – Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.

CORPORATE GOVERNANCE REPORT

Upon the appointment of a new Director, the Company will provide a formal letter to the new Director, setting out his/her duties and obligations. Appropriate orientation programmes and briefings are conducted for all new Directors to familiarise them with the Company's business, board processes, internal controls and governance practices. The Company will also arrange for first-time Directors to attend relevant training in relation to the roles and responsibilities of a director of a listed company and in areas such as accounting, legal and industry-specific knowledge as appropriate. The training of the directors will be arranged and funded by the Company.

Directors are also encouraged to keep themselves abreast of the latest developments relevant to the Group and attend appropriate courses and seminars that will be arranged and funded by the Company. The external auditors, Moore Stephens LLP ("**External Auditor**") during their presentation of the audit plan annually, will update the Directors on the new or revised financial reporting standards. Regular updates on developments and amendments to the Companies Act 1967 of Singapore, corporate governance and listing rules are circulated by the Sponsor and the Company Secretary to the Board. In addition, the Executive Directors will regularly update Board members on the business and strategic developments of the Group as well as overview of industry trends at scheduled Board meetings and ad-hoc Board meetings.

Further, in line with the requirement of the Task Force for Climate-related Financial Disclosures ("**TCFD**") and climate-related disclosures, all Directors of the Company, save for the first-time Directors, Dr Liu Shen and Dr Fu ShaoHai, have attended the mandatory training on Environmental, Social and Governance ("**ESG**"). Dr Liu Shen and Dr Fu ShaoHai will be attending the training (including the training from Singapore Institute of Directors) within one (1) year from the date of their respective appointment.

Provision 1.3 – The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.

The Group has adopted internal guidelines governing matters that require the Board's approval which has been clearly communicated to the Management.

The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those prescribed limits to Board Committees and specific KMP via a structured Delegation of Authority matrix, which is reviewed on a regular basis and revised when necessary.

The matters which require Board's approval include:

- material acquisition and disposal of assets/investments;
- corporate/financial restructurings or corporate exercise;
- incorporation of new entities;
- issuance of shares, declaration of dividends and other returns to shareholders;
- risk appetite and risk tolerance for different categories of risk;

CORPORATE GOVERNANCE REPORT

- nomination of Directors and KMP;
- matters as specified under the Catalist Rules in relation to interested person transactions;
- announcement of the Group's half year and full year results and the release of the annual reports; and
- any other matters as prescribed under the relevant legislations and regulations, as well as the provisions of the Company's Constitution.

Provision 1.4 – Board committees, including Executive Committees if any, are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities are disclosed in the company's annual report.

To assist in the execution of its responsibilities, the Board had established 3 Board Committees, namely the Audit Committee ("AC"), Nominating Committee ("NC"), and Remuneration Committee ("RC") (collectively, the "Board Committees"), and delegates specific areas of responsibilities to these Board Committees. Each of these Board Committees functions within clearly written terms of reference ("TOR"), setting out their compositions, authorities and duties, which have been approved by the Board. The effectiveness of each Board Committee is also constantly being monitored by the Board. The composition of the Board Committees as at the date of this Report is set out below:

Directors	Board Committees		
	AC	NC	RC
James Kho Chung Wah ("Mr Kho")	Chairman	Member	Member
Chng Hee Kok ("Mr Chng")	Member	Chairman	Member
Fu ShaoHai ("Dr Fu")	Member	Member	Chairman
Liu Shen ("Dr Liu")	–	–	–

The Board Committees have the delegated power to deliberate on any issue that arises in their specific areas of responsibilities within their respective TOR and report to the Board with their decisions and/or recommendations. The ultimate responsibility and authority for the decisions and actions on all matters rest with the Board. Each Board Committee's activities and roles are further elaborated in Provisions 4.1, 6.1 and 10.1.

Provision 1.5 – Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

CORPORATE GOVERNANCE REPORT

The number of meetings held by the Board and Board Committees and attendance records taken during FY2025 are as follows:

Name of Director	Board Meetings		Nominating Committee Meeting		Remuneration Committee Meeting		Audit Committee Meetings		General Meetings	
	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
Mr Kho ¹	2	1	1	0	1	0	2	1	2	1
Mr Chng ²	2	1	1	0	1	0	2	1	2	1
Dr Fu ³	2	0	1	0	1	0	2	0	2	0
Dr Liu ⁴	2	0	1	0	1	0	2	0	2	0
Mr Wang DaoFu ⁵	2	1	1	1	1	1	2	1	2	1
Dr Tan Pang Kee ⁶	2	1	1	1*	1	1*	2	1*	2	2
Mr Foo Der Rong ⁷	2	1	1	1	1	1	2	1	2	1
Mr Chiang Yao Chong ⁸	2	1	1	1	1	1	2	1	2	1
Mr Tan Guan Liang ⁹	2	1	1	1*	1	1*	2	1*	2	1
Mr Yeo Hock Huat ¹⁰	2	1	1	0	1	0	2	1*	2	1
Mr Tan Chong Huat ¹¹	2	1	1	0	1	0	2	1	2	1
Dr Danny Oh Beng Teck ¹²	2	1	1	0	1	0	2	1	2	1

* By Invitation

¹ Mr Kho was appointed as Independent Non-Executive Director on 15 May 2025 and subsequently appointed as Non-Executive Chairman and Independent Director on 26 November 2025

² Mr Chng was appointed as Independent Non-Executive Director on 1 May 2025

³ Dr Fu was appointed as Independent Non-Executive Director on 5 February 2026

⁴ Dr Liu was appointed as Executive Director on 17 October 2025

⁵ Mr Wang Daofu retired as Non-Executive Chairman and Independent Director on 15 September 2025

⁶ Dr Tan Pang Kee retired as Chief Executive Officer/Managing Director on 15 September 2025

⁷ Mr Foo Der Rong retired as Independent Director on 28 April 2025

⁸ Mr Chiang Yao Chong retired as Independent Director on 28 April 2025

⁹ Mr Tan Guan Liang retired as Executive Director on 15 September 2025

¹⁰ Mr Yeo Hock Huat retired as Non-Executive Non-Independent Director on 5 November 2025

¹¹ Mr Tan Chong Huat was appointed as Non-Executive Non-Independent Director on 16 September 2025, subsequently redesignated as Non-Executive Independent Chairman on 30 September 2025. Mr Tan Chong Huat retired as Non-Executive Independent Chairman on 5 November 2025

¹² Dr Danny Oh Beng Teck was appointed as Executive Director on 16 September 2025 and retired on 5 November 2025.

All Directors attend and actively participate in Board and Board Committee meetings, and have ensured sufficient time and attention are given to the affairs of the Company. The Directors' involvement and participation are further elaborated in Provision 1.6 below.

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Provision 1.6 – Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

Management recognises that the flow of relevant, adequate, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively.

Management provides the Board with half-yearly accounts, as well as relevant background or explanatory information relating to the matters that would be discussed at Board meetings, prior to the scheduled meetings. Presentations are also made by the senior executives on the performance and strategies of the Group's various businesses at these meetings. This allows the Board to have a good understanding of the Group's operations and be actively engaged in robust discussions with the Group's senior executives. Directors are entitled and encouraged to request for further explanation, briefings, or discussions on any aspect of the Group's operations or business from Management to aid them in their understanding and discussion.

Other than formal Board meetings, all Directors are also furnished with updates and material developments of the Group as and when necessary. Directors can also request to visit the Group's operating facilities and meet with Management to gain a better understanding of the Group's business operations and corporate governance practices. As and when required, Board members meet to exchange views outside the formal environment of Board meetings and may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing. Ad-hoc meetings are also convened whenever circumstances require. The Constitution of the Company provides for Board and Board Committee meetings to be held by way of telephonic and videoconferencing.

Provision 1.7 – Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.

The Directors have separate and independent access to the Management and the Company Secretary and where required, can obtain additional information to facilitate informed decision-making. Information includes background or explanatory materials related to matters to be reviewed and matters under review by the Board, copies of disclosure documents, budgets, forecasts, and internal financial statements. Any material variance between the projections and actual results in respect of budgets, is also disclosed and explained.

Minutes of all Board Committee meetings are circulated to the Board so that Directors are aware of and kept updated on the proceedings and matters discussed during such meetings.

The Company Secretary that attends Board and Board Committees meetings is responsible for ensuring that Board procedures are observed, and that applicable rules and regulations are complied with. The Company Secretary also periodically updates the Board on relevant regulatory changes affecting the Company. The appointment and removal of the Company Secretary are subject to the approval of the Board.

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The Company has in place the procedure to enable the Directors, whether as a group or individually, to obtain independent professional advice at the Company's expense as and when necessary in the furtherance of their duties. Independent advisors include, *inter alia*, legal, financial, tax, Board compensation and merger and acquisition functions. The appointment of such professional advisor is subject to the approval of the Board.

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.*

Provision 2.1 – *An “independent” director is 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.*

Provision 2.2 – *Independent directors make up a majority of the Board where the Chairman is not independent.*

Provision 2.3 – *Non-executive directors make up a majority of the Board.*

The Board presently comprises four (4) Directors, three (3) of whom (Including the Chairman) are Independent Directors, and one (1) is Executive Director. Majority of the Board is made up of Non-Executive Directors and the Chairman is independent, which is in compliance with the Code and Rule 406(3)(c) of the Catalist Rules. The composition of the Board is as follows:

Mr Kho	(Non-Executive Chairman and Independent Director)
Mr Chng	(Independent Director)
Dr Fu	(Independent Director)
Dr Liu	(Executive Director)

The NC reviews annually the independence of each Director by taking into account the existence of relationships or circumstances, including those provided in the Code. Every Independent Director is required to complete a confirmation of independence form drawn up based on the Principle 2 of the Code for the NC to review and recommend to the Board.

Taking into consideration the foregoing, Mr Kho, Mr Chng and Dr Fu, have confirmed their independence.

After due consideration, (with each Independent Director abstaining from the discussion and decision-making process with respect to his independence), the NC has determined that each of the Independent Directors has demonstrated independence in character and judgement in the matter, in which he has discharged his responsibilities as a director of the Company.

Taking into account the views of the NC and the annual confirmation from the Independent Directors, the Board considers each of the Independent Directors to be independent.

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The Company recognises that Independent Directors may over time develop significant insights into the Group's business and operations and can continue to provide noteworthy and valuable contributions objectively to the Board as a whole. The independence of the Independent Directors must be based on the substance of their professionalism, integrity, and objectivity, and not merely based on form, such as the number of years which they have served on the Board.

The dates of initial appointment and last re-election of each Director are set out below:

Name of Director	Position	Date of Initial Appointment	Date of last re-election
Mr Kho	Non-Executive Chairman and Independent Director	15 May 2025	NA
Mr Chng	Independent Director	01 May 2025	NA
Dr Fu	Independent Director	05 Feb 2026	NA
Dr Liu	Executive Director	17 Oct 2025	NA

Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules, a director of the issuer for an aggregate period of more than nine (9) years will not be independent. The NC noted that none of the Independent Directors has served on the Board for nine (9) or more years from the date of his first appointment.

Provision 2.4 – The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.

The Company's Board Diversity Policy upholds the principle that an effective Board is one constituted with the right core competencies, with an appropriate balance and mix of skills, experience, knowledge, among other aspects of diversity. A diverse board will have a broad range of views and perspectives which are essential to foster constructive discussions and promote effective decision-making. The NC reviews and assesses the size and composition of the Board and Board Committees, and recommends the appointment of new directors to the Board for approval. The diversity of the Directors' experience in business and industry skills and expertise, and other relevant aspects of diversity (such as age, gender, tenure, board independence and cultural ethnicity) allows for the useful exchange of ideas and views to avoid group think and foster constructive debate. The Directors are individuals with leadership experiences in business and have a broad diversity of expertise and experience including legal, finance, sustainability and business management, both domestically and internationally. In addition, the Board comprises Directors of difference nationalities. They bring with them different perspectives of the business, locally and internationally, especially in China where almost 70% of the Group's revenue are generated. Each Director provides a valuable network of industry contacts and a resource of his knowledge of different legal and regulatory regimes and corporate governance practices. The current composition of the Board is in line with the objectives set in the Company's Board Diversity Policy on skills, expertise and other relevant aspects of diversity. The Board notes that gender diversity on the Board is also one of the recommendations under the Code to provide an appropriate balance of

CORPORATE GOVERNANCE REPORT

diversity. Although there is currently no female Director appointed to the Board, the Board has started to search and identify suitable female candidates to come on-board. The search has taken longer than anticipated as gender is not the sole requirement for selecting potential candidates; the potential candidates should possess the right blend of skills, industry knowledge, relevant experience and suitability. Nonetheless the Board hopes to have a female Board member on board in the future. The NC reviews its targets for diversity from time to time and may recommend changes or additional targets to achieve greater diversity. In addition, the NC reviews the Company's Board Diversity Policy from time to time, as appropriate, to ensure its continued effectiveness and relevance, and any revisions, where necessary, will be recommended to the Board for approval.

The NC will review the size and composition of the Board and Board Committees annually to ensure that the Board and Board Committees have an appropriate level of independence and diversity of thought and background in their respective compositions to enable the Board and Board Committees to make decisions in the best interests of the Company. The NC and the Board, taking into account the nature of operations of the Group, consider the current size of the Board and Board Committees to be adequate for effective decision-making, and based on the current composition, the Board and Board Committees are able to exercise objective judgement on corporate affairs and provide sufficient diversity of expertise to lead and govern the Company effectively. The NC and the Board are satisfied that no individual member of the Board dominates the Board's decision-making and that there is sufficient accountability and capacity for independent decision-making. The profile and information of the Directors as at the date of this Report are set out under the "Board of Directors" section of this Annual Report.

Provision 2.5 – Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

The Independent Directors exercise objective judgment on the Group's affairs independently from Management. The Independent Directors also contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide alternate perspectives to the Group's business. When challenging Management's proposals or decisions, they bring independent judgment to bear on business activities and transactions that involve conflicts of interest and other complexities.

The Independent Directors meet among themselves without the presence of the Management when necessary to discuss matters in relation to the corporate development of the Group to ensure effective and independent review of the Management and provide feedback to the Board and/or Chairman as appropriate.

CORPORATE GOVERNANCE REPORT

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 – *The Chairman and the Chief Executive Officer (“CEO”) are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.*

Provision 3.2 – *The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.*

The Board is chaired by Mr Kho, an Independent Director. Mr Chen HongBo, the Chief Executive Officer (“CEO”), is assisted by the Management.

There is a clear separation of responsibilities between the Chairman and the CEO, to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making. The Chairman and the CEO are not related to each other.

The responsibilities of the Chairman are as follows:

- Leading the Board in a strategic effective and decisive way;
- Setting the agenda and ensuring adequate time is available to discuss all agenda items, in particular, strategic issues;
- Ensuring that the Board is properly organised, functioning effectively and meeting its obligations and responsibilities;
- Promoting a culture of openness and debate within the Board;
- Ensuring that the Directors receive complete, adequate, and timely information;
- Encouraging constructive relationships within the Board and between the Board and Management;
- Ensuring effective communication with the shareholders and stakeholders;
- Ensuring Non-Executive and Independent Directors contribute effectively and their contributions are taken into account by the Board; and
- Promoting high standards of corporate governance.

CORPORATE GOVERNANCE REPORT

The responsibilities of the CEO are as follows:

- Developing, with the Board, a consensus for the Company's vision and mission;
- Making strategic proposals for the Company and the Group to the Board;
- Overseeing the implementation and execution of the Board's strategies and policies;
- Assuming the executive responsibility of the day-to-day management of the Company, with the support of the Management; and
- Ensuring that the Board is informed about the Company's key activities and issues.

Provision 3.3 – *The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.*

Given the Chairman's independence, and the separation of roles between the Chairman and CEO, the Board is of the view that there are adequate safeguards and checks in place to ensure the objective assessment of the Group's ongoing affairs. The current structure also facilitates a decision-making process by the Board that is based on the collective decision of all Directors, without any concentration of power or influence residing in any one individual. In view of this, the appointment of a Lead Independent Director is not considered by the Board to be necessary at this juncture.

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 – *The Board establishes a Nominating Committee ("NC") to make recommendations to the Board on relevant matters relating to: (a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel; (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors; (c) the review of training and professional development programmes for the Board and its directors; and (d) the appointment and re-appointment of directors (including alternate directors, if any).*

Provision 4.2 – *The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.*

CORPORATE GOVERNANCE REPORT

Nominating Committee

The Company's NC presently comprises Mr Chng, Mr Kho and Dr Fu who are all Independent Directors. Hence, the Company is in compliance with Provision 4.2 of the Code.

The NC is responsible for, *inter alia*, establishing a formal and transparent process for the appointment of new directors and the re-appointment of Directors retiring by rotation, as well as to assess the effectiveness of the Board and the overall contribution of each Director towards the effectiveness of the Board.

The NC's responsibilities as set out in its TOR include the following:

- a) to make recommendations to the Board on all Board appointments, and re-appointment of Directors or alternate Directors (if any), having regard to that Director's contribution and performance (e.g. attendance, preparedness, participation and candour) where applicable;
- b) to ensure that all Directors submit themselves for re-nomination and re-election at regular intervals and at least once in every three (3) years;
- c) to review succession plans for Directors, in particular, the appointment and/or replacement of the Executive Chairman, the CEO and KMP;
- d) to review the size and composition of the Board with the objective of achieving a balanced board in terms of the mix of experience and expertise;
- e) to decide on how the Board's performance may be evaluated and recommend objective performance criteria for the Board's approval;
- f) to assess the effectiveness of the Board as a whole, and the contribution of each Director to the effectiveness of the Board;
- g) to review and make recommendations to the Board on training and professional development programs for the Board and its Directors;
- h) to ensure complete disclosure of key information of Directors in the Company's annual reports as required under the Code;
- i) to review the independence of the Directors annually; and
- j) to carry out such other duties as may be agreed to by the NC and the Board.

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Provision 4.3 – The company discloses the process for the selection, appointment, and reappointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

Pursuant to Rule 720(4) of the Catalist Rules and the Company's Constitution, all Directors are required to submit themselves for re-nomination and re-election at least once every three (3) 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 AGM of the Company.

Mr Kho, Mr Chng, Dr Fu and Dr Liu are subject to re-nomination pursuant to Rule 720(4) of the Catalist Rules and Regulation 86 of the Company's Constitution at the forthcoming AGM of the Company. Mr Kho, Dr Fu and Dr Liu, being eligible for re-appointment, have offered themselves for re-election. Mr Chng has communicated his wish to retire from the Board. His retirement from the Board will take effect upon the conclusion of the forthcoming AGM. Accordingly, Mr Chng will cease to be the Chairman of the NC and a member of the AC and RC of the Company upon his retirement. The Board and the NC will endeavour to fill the vacancies of the Board Committees, including the NC, within two (2) months, but in any case not later than three (3) months from 30 April 2026.

Each of these Directors, being interested in the matter, had abstained from all discussions and recommendations in respect of their own re-election. Mr Kho and Dr Fu are considered independent by the Board pursuant to Rule 704(7) of the Catalist Rules.

Having regard to the above and taking into consideration the retiring Directors' attendance, participation and contribution to the business and operations of the Company as well as Board processes, the NC had recommended their nominations for re-election at the forthcoming AGM of the Company. The Board concurred with the NC's recommendation.

In general, in the event that there is a need to change the structure of the Board, the chairmanship of the Company or the membership of the Board Committees, the NC will review the proposed changes and will make the appropriate recommendations to the Board.

In this regard, the NC will, in consultation with the Board and the Company's professional advisors, examine the existing strengths, and capabilities of the existing Board and the KMP. In addition, the NC will consider the contributions (such as the skills, knowledge and experience) of the existing Directors and the KMP as well as taking into account the future needs of the Company. Through this process, the NC, together with the Board, may seek new candidates. New Directors are appointed by way of a Board Resolution or at Board of Directors' Meetings, after the NC has reviewed the resumé of the proposed director, conducted appropriate interviews and recommended the appointment to the Board. In its search and selection process for new Directors, other than through formal search, the NC also taps on the resources of Directors' personal contacts and recommendations of potential candidates and appraises the nominees to ensure that the candidates possess relevant experience and have the calibre to contribute to the Group and its businesses, having regard to the attributes of the existing Board and the requirements of the Group.

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The NC had reviewed, taking into account the individual performance assessment and their actual conduct on the Board and concluded that each Director had adequately carried out their duties as a Director of the Company and spent sufficient time and attention on the Company's affairs despite having multiple board representations and principal commitments.

The NC believes that putting a maximum limit on the number of directorships a director can hold is arbitrary, given that time requirement for each directorship varies and thus should not be prescriptive. The NC considers that the multiple board representations held presently by some Directors do not impede their performance in carrying out their duties to the Company and in fact, enhances the performance of the Board as it broadens the experience and knowledge of the Board.

Information regarding the Directors nominated for re-appointment, including the information required under Appendix 7F of the Catalist Rules is given in the "Board of Directors" section, and pages 82 to 89 of this Annual Report.

Provision 4.4 – The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.

The NC is guided by the definition and criteria of independence as set out in the Catalist Rules and the Code in determining if a Director is independent.

The NC has on an annual basis, and as and when circumstances require, determined if a Director was independent pursuant to the circumstances set forth in Provision 2.1 and any other salient factors of the Code. Further details on the NC's evaluation are set out on page 51 of the Annual Report under Provision 2.1.

Each Independent Director is required to complete a Confirmation of Independence form drawn up based on Principle 2 of the Code for the NC's review and recommendation to the Board. None of the Independent Directors has any relationship with the Company, its related corporations, its substantial shareholders or its officers.

Accordingly, the Board concurred with the NC's view that the three (3) Independent Directors are independent in character and judgement and there were no circumstances which would likely affect or appear to affect their judgement.

During FY2025, there was no appointment of alternate Directors on the Board.

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Provision 4.5 – The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC’s and Board’s reasoned assessment of the ability of the director to diligently discharge his or her duties.

To ensure that the new Directors are aware of their duties and obligations, a formal letter of appointment explaining their duties and obligations as Director is provided to every new Director upon appointment. The formal letter of appointment sets out the time commitment required of the Director and the Director’s roles and responsibilities, including disclosure requirements and best practices relating to dealings in securities under applicable laws and regulations.

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. The recommendation of the NC for the nomination of a Director for re-election is then made to the Board. The Board will review the NC’s recommendation.

The NC is of the view that the number of directorships a Director can hold and his principal commitments should not be prescriptive as the time commitment for each board membership may vary. The NC will review the number of listed company board representations which each Director holds on an annual basis or from time to time when the need arises. In this respect, the NC believes that it would not be necessary to prescribe a maximum number of listed company board representations a Director may hold. The Board affirms and supports this view.

During the year, the NC had reviewed the directorships and principal commitments disclosed by each Director and was of the view that the existing directorships and principal commitments of the respective Directors have not impinged on their abilities to discharge their duties. The Board concurred with the NC.

The table below sets out the disclosure of directorships and chairmanships held over the preceding three (3) years in other listed companies as well as other principal commitments of each respective Director:

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Key Information of Directors

Name of Director	Board appointment whether executive or non-executive	Present Directorships in other listed companies and other major appointments	Past Directorships in other listed companies and other major appointments over the preceding three years
Mr Kho	Non-executive/ Independent	<ul style="list-style-type: none"> • Willan Capital Pte. Ltd. • MIB Investments Private Limited • Willan (Tianjin) Business Advisory Ltd • Rich Capital Holdings Limited • Platinum Project Consultancy Pte Ltd • Sunshine Investments Pte Ltd • Farmland Investments Pte Ltd • Farmland Star Property Pte Ltd • Alpha Contact Omega Pte Ltd • OceanScape International Limited 	<ul style="list-style-type: none"> • Pollux Properties Ltd • SBI Offshore Limited • Willan (Tianjin) Asset Management Ltd • Willan Consultants Pte Ltd • Energyport VCC • XM Holdco Pte Ltd • CEG Tech Engineering Pte Ltd • Novel Solar Pte Ltd
Mr Chng	Non-executive/ Independent	<ul style="list-style-type: none"> • Advanced Systems Automation Ltd • The Place Holdings Ltd • United Food Holdings Ltd • Debao Property Developments Ltd 	<ul style="list-style-type: none"> • Full Apex (Holdings) Ltd • Metech International Ltd • KTL Global Ltd • Blackgold Natural Resources Ltd • Rational Pricing Technologies Pte Ltd • Ferrstron Electric Pte Ltd • Cashflws Pte Ltd

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Name of Director	Board appointment whether executive or non-executive	Present Directorships in other listed companies and other major appointments	Past Directorships in other listed companies and other major appointments over the preceding three years
Dr Fu	Non-executive/ Independent	<ul style="list-style-type: none"> • Jiangnan University – Director of the Department of Development Planning and Discipline Construction • Fellow of the China Textile Engineering Society • Dean of the College of Textile Science and Engineering, Jiangnan University • Director of the Key Laboratory of Special Protective Textiles, Ministry of Education • Invited Vice Chairman of China Textile Engineering Society 	Nil
Dr Liu	Executive	Nil	Nil

BOARD PERFORMANCE

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

Provision 5.1 – The NC recommends for the Board’s approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.

Provision 5.2 – The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.

Based on the recommendation by the NC, the Board has established processes and objective performance criteria for evaluating the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution of the Chairman and each individual Director. Such processes aim to inter alia assess whether each Director continues to contribute effectively and demonstrate commitment to the role.

CORPORATE GOVERNANCE REPORT

In evaluating the Board's performance, the NC considers a set of quantitative and qualitative performance criteria. The performance criteria for the Board evaluation are in respect of board size and composition, board process, board information and accountability, board performance and board committee performance in relation to discharging its principal functions and responsibilities and financial targets, and deliberation of the Company's long-term strategy. The individual Directors' performance criteria were in relation to their industry knowledge and/or functional expertise, contribution and workload requirements, sense of independence and attendance at the board and committee meetings.

The NC evaluated the performance of the Board as a whole taking into consideration the above criteria. The NC considered the Board, the Board Committee and the individual Director's performance to be satisfactory. The Board concurred with the NC's recommendation.

B. 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 KMP. No Director is involved in deciding his or her own remuneration.*

Provision 6.1 – *The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on: (a) a framework of remuneration for the Board and key management personnel; and (b) the specific remuneration packages for each director as well as for the key management personnel.*

Provision 6.2 – *The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.*

Provision 6.3 – *The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.*

Provision 6.4 – *The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.*

Remuneration Committee

The Company's RC presently comprises Dr Fu, Mr Kho and Mr Chng, who are all Independent Directors, and hence in compliance with Provision 6.2 of the Code.

The RC's recommendations are made in consultation with the Chairman and CEO and submitted for endorsement by the Board.

CORPORATE GOVERNANCE REPORT

No Director or member of the RC is involved in deciding his own remuneration, except for providing information and documents specifically requested by the RC to assist it in its deliberations.

RC reviews and makes recommendations to the Board on the framework of remuneration for the Board and KMP and the specific remuneration packages for each of the Directors and senior management. There are appropriate and meaningful measures in place for the purpose of assessing the performance of Directors and senior management staff.

In determining the remuneration packages of Executive Directors and senior management, the RC will ensure that the Executive Directors and senior management are adequately but not excessively rewarded. In consultation with the Board, the RC will consider amongst other things, their responsibilities, skills, expertise, and contribution to the Company's performance and whether the remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent.

In reviewing and recommending the remuneration of the Independent Directors, the RC will consider, in consultation with the Board, the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Independent Directors. The RC will ensure that the Independent Directors are not over-compensated to the extent that their independence may be compromised.

The RC reviews the Company's obligations arising in the event of termination of Executive Directors and senior management's contracts of service to ensure such contracts of service contain fair and reasonable termination clauses.

The Company does not engage any remuneration consultants.

LEVEL AND MIX OF REMUNERATION

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

Provision 7.1 – *A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.*

Provision 7.2 – *The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.*

Provision 7.3 – *Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.*

CORPORATE GOVERNANCE REPORT

In setting remuneration packages, the RC takes into account the pay and employment conditions within the same industry and in comparable companies, as well as the Company's relative performance and the performance of individual Directors. The RC also ensures that the remuneration policies support the Company's objectives and strategies.

The RC will also consider the performance of the Group as well as that of the Executive Directors and KMP, aligning their interests with those of shareholders and linking rewards to corporate and individual performance as well as industry benchmarks. It ensures that remuneration package is appropriate to attract, retain and motivate the Executive Directors and KMP to provide good stewardship of the Group and successfully manage the Group for the long term.

Executive Directors do not receive directors' fees. The remuneration policy for Executive Directors and KMP consists fixed cash and annual variable components. The fixed component includes salary and other allowances. The variable component comprises performance-based bonus which forms a significant proportion of the total remuneration package of the Executive Directors and is payable on the achievement of individual and corporate performance targets.

The service contracts for the Executive Director contain a fixed appointment period of three years and clauses relating to early termination. The Executive Director's contract is renewable and would be subject to the RC and the Board's approval. None of the service contracts has any onerous removal clauses.

Independent Directors and non-executive directors, including the Chairman, have no service contract with the Company and their terms are specified in the Constitution of the Company. Independent Directors and non-executive directors are paid a basic fee for serving as a Director and any of the Board Committees roles. In determining the quantum of such fees, factors such as frequency of meetings, time spent and responsibilities of Directors are taken into account. Such fees are subject to the approval of the shareholders as lump sum payment at the AGM of the Company.

The Company currently has no employee share option schemes or other long-term incentive scheme in place.

There are, at present, no contractual provisions allowing the Company to reclaim incentive components of remuneration from Executive Director and executive officers in exceptional circumstances such as misstatement of financial results, or misconduct resulting in financial loss to the Company. The Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties.

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.*

CORPORATE GOVERNANCE REPORT

Provision 8.1 – The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual director and the CEO; and (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.

Directors

The table below sets out the Directors' remuneration and breakdown for FY2025:

Name of Director	Salary	Bonus/Profit sharing	Other benefits ¹	Fees	Total
	S\$	S\$	S\$	S\$	S\$
Mr Kho ²	–	–	–	32,289	32,289
Mr Chng ³	–	–	–	33,333	33,333
Dr Fu ⁴	–	–	–	–	–
Dr Liu ⁵	43,050	–	–	–	43,050
Mr Wang Daofu ⁶	–	–	–	39,166	39,166
Dr Tan Pang Kee ⁷	698,038	–	11,376	–	709,414
Mr Foo Der Rong ⁸	–	–	–	11,013	11,013
Mr Chiang Yao Chong ⁹	–	–	–	11,013	11,013
Mr Tan Guan Liang ¹⁰	387,898	–	14,659	–	402,557
Mr Yeo Hock Huat ¹¹	–	–	–	28,466	28,466
Mr Tan Chong Huat ¹²	–	–	–	8,333	8,333
Dr Danny Oh Beng Teck ¹³	52,048	–	–	–	52,048
Mr Chen HongBo ¹⁴	53,200	–	–	–	53,200
Total	1,234,234	–	26,035	163,613	1,423,882

Notes:

- (1) Other benefits refer to benefits-in-kind such as the provision of a Company car for the use of the Director.
- (2) Mr Kho was appointed as Independent Non-Executive Director on 15 May 2025 and subsequently appointed as Non-Executive Chairman and Independent Director on 26 November 2025.
- (3) Mr Chng was appointed as Independent Non-Executive Director on 1 May 2025.
- (4) Dr Fu was appointed as Independent Non-Executive Director on 5 February 2026.
- (5) Dr Liu was appointed as Executive Director on 17 October 2025.
- (6) Mr Wang Daofu retired as Non-Executive Chairman and Independent Director on 15 September 2025.
- (7) Dr Tan Pang Kee retired as Chief Executive Officer/Managing Director on 15 September 2025.
- (8) Mr Foo Der Rong retired as Independent Director on 28 April 2025.
- (9) Mr Chiang Yao Chong retired as Independent Director on 28 April 2025.
- (10) Mr Tan Guan Liang retired as Executive Director on 15 September 2025.
- (11) Mr Yeo Hock Huat retired as Non-Executive Non-Independent Director on 5 November 2025.

CORPORATE GOVERNANCE REPORT

(12) Mr Tan Chong Huat was appointed as Non-Executive Non-Independent Director on 16 September 2025, subsequently redesignated as Non-Executive Independent Chairman on 30 September 2025. Mr Tan Chong Huat retired as Non-Executive Independent Chairman on 5 November 2025.

(13) Dr Danny Oh Beng Teck was appointed as Executive Director on 16 September 2025 and retired on 5 November 2025.

(14) Mr Chen HongBo was appointed as Chief Executive Officer on 5 November 2025.

Top 3 KMP (who are not Directors or CEO of the Company)

The Company has only three (3) KMP since the new management took over in September 2025. The table below sets out the top 3 KMP's remuneration in bands of S\$250,000 and breakdown for FY2025:

	Salary	Bonus	Other Benefits ⁽²⁾	TOTAL
Remuneration Band⁽¹⁾ & Name of Key Management Personnel				
Below S\$250,000				
Seow Han Khye	100.00%	–	–	100.00%
Cheng Ying ⁽³⁾	100.00%	–	–	100.00%
Peng Hongjiang ⁽⁴⁾	100.00%	–	–	100.00%

Notes:

(1) Remuneration amounts are inclusive of salary, bonus, incentives, and Central Provident Fund contributions.

(2) Other benefits refer to allowances.

(3) Date joined 18 September 2025

(4) Date joined 7 November 2025

Due to sensitivities and confidentiality reasons, the Company believes that disclosure of the KMPs' remuneration in bands of S\$250,000 should be sufficient to provide an insight into the link between their compensation and performance. Further details are deemed to be not in the interest of the Company due to the competitiveness of the industry for key talents. The aggregate remuneration paid to the aforesaid KMPs in FY2025 amounted to S\$202,962.

Provision 8.2 – The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

Mr. Wang Weidong, the sole shareholder of Nanyang Commercial Management Pte. Ltd. with a 29.86% interest in the Company, served as Chief Risk Officer from 1 March 2025 to 30 June 2025. His total remuneration for FY2025 amounted to less than S\$100,000.

Save for Mr Wang Weidong, there is no employee of the Group who is a substantial shareholder or is an immediate family member of a director, CEO or substantial shareholder and was paid more than S\$100,000 during FY2025.

CORPORATE GOVERNANCE REPORT

The basis of determining the remuneration of the related employees is the same as the basis of determining the remuneration of other unrelated employees.

Provision 8.3 – The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.

Apart from the remuneration disclosed above, the Company does not have any share-based compensation scheme or any long-term incentive scheme involving the offer of shares or options in place.

C. 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 – The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

The Board has overall responsibilities for the governance of risk and exercises oversight of the significant risks in the Group's business. The Board ensures that the Management maintains a sound system of internal controls and effective risk management policies to safeguard shareholders' interests and the Group's assets and in this regard, is assisted by the AC which reviews the adequacy and effectiveness of the Group's internal controls and risk management systems.

The Board did not establish a separate board risk committee to review and assess the internal controls systems and risk management framework. The Board is currently assisted by the AC, internal and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies.

The Company's internal auditor, CLA Global TS Risk Advisory Pte. Ltd. ("**Internal Auditor**") reports to the AC on the Group's risks profile on a yearly basis, conducts a review of the adequacy and effectiveness of the Company's internal controls, evaluates results and proposes counter measures to mitigate the identified potential risks.

The Board has adopted an Enterprise Risk Management ("**ERM**") framework that comprises five (5) principal risk categories, namely strategic, financial, operational, information technology control and compliance risks.

The ERM framework is reviewed regularly taking into account changes in the Group's business and operating environment as well as evolving corporate governance requirements.

CORPORATE GOVERNANCE REPORT

The identification and management of risks are delegated to the CEO and KMP, who assume ownership and day-to-day management of these risks. CEO and KMP are responsible for the effective implementation of the risk management strategy, policies and processes to facilitate the achievement of business plans and goals within the risk tolerance established by the Board. Key business risks are proactively identified, addressed and reviewed on an ongoing basis. Identified risks that affect the achievement of the Group's business objectives are compiled in the Group Risks Register and are ranked according to the likelihood and consequential impact on the Group as a whole.

The main risks arising from the Group's financial operations are liquidity risk, foreign currency risk, credit risk, equity price risk and interest rate risk. Details on these risks are set out in the Notes to the Financial Statements. These risks are monitored by AC and the Board on a yearly basis.

The Internal Auditor has reviewed key internal controls as part of the internal audit plan and has independently reported its assessment to the AC and the Board on the adequacy, effectiveness and integrity of the Group's internal controls and risk management systems.

The Internal Auditor presents its findings to the AC on a yearly basis. The internal audit report, comprising details of any non-compliance or internal control weaknesses and significant deficiencies noted during the audit, the corresponding recommendations for improvement and the CEO and/or KMP's responses, were submitted and presented to the AC. The AC will then review the adequacy and effectiveness of the risk management and internal control system.

Provision 9.2 – The Board requires and discloses in the company's annual report that it has received assurance from: (a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

For the financial year under review:

- (a) Written assurance was received from CEO and CFO that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) Written assurance was received from CEO, Executive Director and CFO that the Group's risk management and internal controls systems in place were adequate and effective to address the financial, operational, compliance and information technology risks in the context of the current scope of the Group's business operations.

Based on the internal control and risk management systems established and maintained by the Group, the review performed by the external and internal auditors and the review by the AC of the implementation of the recommendations of the internal and external auditors as aforesaid, the Board, with the concurrence of the AC, is of the opinion that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems maintained by the Group, are adequate and effective as at 31 December 2025 to address the risks that the Group considers relevant and material to its operations, while noting that no system of internal control could provide absolute assurance against the occurrence of errors, fraud, or other irregularities.

CORPORATE GOVERNANCE REPORT

The AC, CEO, Executive Director and CFO will continue to review and strengthen the Group's controls environment and allocate more resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

AUDIT COMMITTEE

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

Provisions 10.1 – *The duties of the AC include: (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance; (b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems; (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements; (d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors; (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.*

Provision 10.2 – *The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.*

Provision 10.3 – *The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.*

Provision 10.4 – *The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.*

Audit Committee

The Company's AC presently comprises Mr Kho, Mr Chng and Dr Fu, all of whom are Independent Directors. The AC Chairman, Mr Kho and Mr Chng, have recent and relevant accounting or related financial management expertise or experience. Hence, Provision 10.2 of the Code has been complied with.

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation, and hence, is in compliance with Provision 10.3 of the Code.

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The AC has the explicit authority to investigate any matter within its TOR. It has full access to, and the co-operation of the Management and full discretion to invite any Executive Director or KMP to attend its meetings. The AC members have industry knowledge and professional expertise in the financial or business spheres, and have adequate resources, including access to external consultants and auditors, to discharge their responsibilities properly.

The AC met twice during FY2025 and all the Executive Directors were invited to attend the meetings.

The Board is of the view that the members of the AC have sufficient financial management expertise and experience to discharge their responsibilities.

The AC's key functions as set out in its TOR include the following:

- review with the Company's external auditors their audit plan, their evaluation of the system of internal accounting controls in the course of the external audit, their letter to the Management and the Management's response and results of the Company's audit conducted by internal and external auditors;
- review the reports of the Company's external auditors as well as the independence and objectivity of the external auditors;
- review the co-operation given by the Company's officers to the external auditors;
- review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules and regulations which has or is likely to have a material adverse impact on the Group's operating results or financial position and the Management's response;
- make recommendations to the Board on the proposal to the shareholders on the appointment, re-appointment and removal of external auditors and approve the remuneration and terms of engagement of the external auditors;
- review the financial results announcements and annual financial statements, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the SGX-ST Listing Manual and any other relevant statutory or regulatory requirements;
- review the significant reporting issues and judgements so as to ensure integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- review the material internal control procedures, comprising financial, operational, compliance and information technology controls and ensure co-ordination between the external auditors and the Management, and review the assistance given by the Management to the external auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the external auditors may wish to discuss (in the absence of the Management, where necessary);

CORPORATE GOVERNANCE REPORT

- approve the Group's internal audit plans;
- monitor the implication of outstanding internal control weaknesses highlighted by the internal and external auditors;
- review interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules (including any entrusted loans that may be provided to interested persons prior to such loans being entered into to ensure that (i) the terms and (ii) the grant of the entrusted loans (taking into account various factors that may include but are not limited to the rationale for the grant, the creditworthiness of the borrower and the interest rate payable to the Group) are not prejudicial to the Group and the shareholders);
- review and consider transactions in which there may be potential conflicts of interest between the Group and the interested persons and recommend whether those who are in a position of conflict should abstain from participating in any discussions or deliberations of the Board or voting on resolutions of the Board or the shareholders in relation to such transactions as well as to ensure that proper measures to mitigate such conflicts of interest have been put in place;
- review key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review will be disclosed in the annual reports or if there are material findings, to be immediately announced via SGXNet;
- review and recommend to the Board hedging policies and instruments, if any, to be implemented by the Company;
- review the effectiveness of the Company's internal audit function, if applicable;
- undertake such other reviews and projects as may be requested by the Board, and report to the Board its finding from time to time on matters arising and requiring the attention of the AC;
- undertake such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments as may be made thereto from time to time;
- review the assurance from the CEO and CFO on the financial records and financial statements;
- review at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- review the adequacy, effectiveness, independence, scope and results of the external audit and internal audit functions;
- review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and

CORPORATE GOVERNANCE REPORT

- review the consolidated financial statements of the Company, including the consolidated statement of financial position and statement of changes in equity of the Company before their submission to the Board.

External Audit

The AC reviews the scope and results of the audit carried out by the External Auditor, as well as the cost effectiveness of the audit and the independence and objectivity of the External Auditor. The AC always seeks to balance the maintenance of objectivity of the External Auditor and its ability to provide professional advice and solutions. The AC undertook the review of the independence and objectivity of the External Auditor, Moore Stephens LLP ("**MS**"), through discussions with MS as well as reviewing the non-audit services provided and the fees paid to it. Based on the review, the AC is of the opinion that MS is, and is perceived to be, independent for the purpose of the Group's statutory audit. The fees payable to the MS are set out below:

	S\$'000	%
Audit fees	86	100.00
Non-audit fees	–	–
Total	86	100.00

In reviewing the nomination of MS for re-appointment for the financial year ending 31 December 2026, the AC has considered the adequacy of the resources, experience, and competence of MS, and has taken into account the Audit Quality Indicators relating to MS at the firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit. The AC also considered the audit team's ability to work in a co-operative manner with Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines.

On the basis of the above, the AC is satisfied with the standard and quality of work performed by MS. It has recommended to the Board that MS be nominated for re-appointment as external auditor of the Company at the forthcoming AGM of the Company. The Company has complied with the requirements of Rules 712, 715 and 716 of the Catalist Rules in relation to the appointment of its external auditor. The Board and AC are satisfied that the appointment of different auditing firms based in Singapore to audit the Company's accounts, and its Singapore-incorporated subsidiaries would not compromise the standard and effectiveness of the audit of the Company and the Group. The Company has no Singapore-incorporated significant associated companies.

Internal Audit

The primary role of internal audit is to assist the AC by evaluating the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Group, undertaking investigations as directed by the AC, and conducting regular in-depth audits of high-risk areas, to ensure that the Company maintains sound systems of internal controls and risk management.

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The Company's internal audit function are outsourced to CLA Global TS Risk Advisory Pte. Ltd. ("**CLA Global TS**") since 2016. CLA Global TS possesses vast experience in providing internal audits, risk management services and advisory services. The internal audit team from CLA Global TS comprises the engagement director, a manager and experienced staff members. The engagement director is a Chartered Accountant and a member of the Institute of Internal Auditors Singapore, has more than 16 years of relevant experience in professional services firms. The AC is satisfied that the internal audit team is staffed with professionals with relevant qualifications and experience to perform its function effectively.

The internal audit team reports primarily to the Chairman of the AC and has unrestricted access to the documents, records, properties and personnel of the Company and of the Group.

The AC examines the internal audit plan, determines the scope of audit examination and approves the internal audit budget. It also oversees the implementation of the improvements required on internal control weaknesses identified and ensures that Management provides the necessary co-operation to the internal audit team.

The AC annually reviews the adequacy, effectiveness and independence of the internal audit team and is satisfied with the aforesaid aspects.

Whistle-Blowing Policy

The AC also reviews arrangements by which staff of the Company and external parties may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The Group has in place a whistle-blowing policy ("**Policy**") to ensure independent investigations of such matters and for appropriate follow up action.

The Policy is aimed at encouraging the reporting of such matters in good faith, with the confidence that staff of the Company and other persons making such reports is kept confidential and will be treated fairly and, to the extent possible, protected from reprisal.

Whistle-blowers may use independent communication channels to make a report to AC Chairman who is responsible for overseeing and the monitoring of whistleblowing.

The whistle-blower can report any possible improprieties directly to AC Chairman, via ACChairman@matex.com.sg.

There was no whistle blowing report received during FY2025.

Provision 10.5 – The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

The AC meets with the External Auditor and the Internal Auditor, at least once a year, without the presence of the Management, to review any matter that might be raised. These meetings enable the auditors to raise any issues in the course of their work directly to the AC.

CORPORATE GOVERNANCE REPORT

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

Provision 11.1 – *The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.*

Provision 11.2 – *The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.*

Conduct of General Meetings

The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders. Notices for general meetings are announced via SGXNet. In line with changes to the Catalist Rules, the Company has implemented electronic transmission of documents to shareholders. The notices, together with relevant documents (such as the annual report, letter to shareholders or circular) will be published on SGXNet.

In order to provide ample time for the shareholders to review the annual report for FY2025 ("**Annual Report 2025**"), the notice of AGM together with proxy form and request form to receive printed copy of the Annual Report 2025 are despatched to all shareholders at least 14 days before the scheduled AGM date on 30 April 2026. Shareholders are invited to attend the general meetings to put forth any questions they may have on the motions to be debated and decided upon. The Company will endeavour to address substantial and relevant questions related to the ordinary resolution to be tabled for approval at the AGM.

All shareholders are entitled to vote in accordance with the established voting rules and procedures at the AGM. Each share is entitled to one vote.

An external firm shall be appointed as the scrutineer for the AGM voting process, which is independent of the firm appointed to undertake the poll voting process. This is in compliance with the Rule 730A(a) of the Catalist Rules.

The Company conducts poll voting for all resolutions tabled at the general meetings either through manual or electronic polling. The rules, including the voting procedures, will be clearly explained by the scrutineers at such general meetings. Announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentage to the audience at the general meeting will be released on SGX-ST on the same day.

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Substantially separate items are each tabled at the general meetings via separate resolutions, including the election or re-election of each Director.

Detailed information on each item in the AGM agenda is provided in the explanatory notes to the Notice of AGM in the Annual Report 2025.

Provision 11.3 – All directors attend general meetings of shareholders, and the external auditors are also presented to address shareholders’ queries about the conduct of audit and the preparation and content of the auditors’ report. Directors’ attendance at such meetings held during the financial year is disclosed in the company’s annual report.

At general meetings of the Company, shareholders are given the opportunity to communicate their views and are encouraged to ask the Directors and the KMP questions regarding matters affecting the Company.

The Chairman and the Chairpersons of the AC, NC and RC were present at the last AGM in 2025. All Directors will endeavour to be present at the Company’s forthcoming AGM to address shareholders’ questions relating to the work of these Committees.

The Company’s External Auditor, Moore Stephens LLP, will be present at the AGM and are available to assist the Directors in addressing any relevant queries by shareholders relating to the conduct of the audit and the preparation and content of its auditor’s report.

Provision 11.4 – The company’s Constitution (or other constitutive documents) allows for absentia voting at general meetings of shareholders.

If shareholders are unable to attend the meetings, the Constitution of the Company allows for shareholders who are not relevant intermediaries to appoint up to two proxies to attend, speak and vote at general meetings in their absence, and shareholders who are relevant intermediaries may appoint more than two proxies to attend, speak and vote at general meetings. In order to have a valid registration of proxy, the proxy forms must be sent in advance to the place(s) as specified in the notice of the general meetings at least 72 hours before the time set for the general meetings.

Subject to the Company’s Constitution and any applicable legislation, the Board may, at its sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

Provision 11.5 – The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

CORPORATE GOVERNANCE REPORT

The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the resolutions tabled for approval and/or ask the Directors or the Management questions regarding the Company and its operations. Minutes of the general meetings which include substantial and relevant comments and queries from shareholders relating to the agenda of the general meetings together with the responses from the Board and Management are prepared and confirmed as true record of the proceedings of the general meetings. The minutes of the general meetings will be published on the Company's corporate website and the SGXNet as soon as practicable, and no later than one month from the date of the meeting.

Provision 11.6 – The company has a dividend policy and communicates it to shareholders.

The Company does not have a formal dividend policy. The form, frequency and amount of any proposed dividends will take into consideration the Group's profit growth, cash position, positive cash generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. The Company endeavours to pay dividends and where dividends are not paid, the Company will disclose its reason(s) accordingly.

The Company did not declare any dividends for FY2025 as the Group was in an operational loss.

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 – The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

Provision 12.2 – The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

Provision 12.3 – The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

Disclosure of information on a timely basis

The Board is mindful of its obligations to provide shareholders with timely disclosure of material information presented in a fair and objective manner.

The Company does not practice selective disclosure. In line with the continuing obligations of the Company pursuant to the Catalist Rules, the Board's policy is that all shareholders will be equally informed of all major developments and/or transactions impacting the Group.

CORPORATE GOVERNANCE REPORT

Half yearly and yearly results of the Company are published through the SGXNet, news releases and the Company's website. All information on the Company's new initiatives will be first disseminated via SGXNet. Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Results and annual reports are announced or issued within the period as prescribed by the SGX-ST and is available on the SGXNet.

The Company sincerely welcomes the views of its shareholders and has in place an investor relations policy where its website provides an enquiry form that allows the Company to learn about shareholders' requirements and queries. The Group provides shareholders with an assessment of the Company's performance, position and prospect on a half-yearly basis. This is carried out via half-yearly announcement of results and other ad-hoc announcements primarily via SGXNet. The Company's Annual Report and other Information are also accessible via the above channels. In addition, shareholders are given the opportunity to submit their questions in advance prior to any AGM or EGM, or may ask questions in person at the general meetings and the Company will endeavour to address substantial and relevant questions related to the resolutions to be tabled for approval at the general meetings.

E. MANAGING STAKEHOLDERS RELATIONSHIPS

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.*

Provision 13.1 – *The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.*

Provision 13.2 – *The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.*

ENGAGEMENT WITH STAKEHOLDERS

The Group has regularly engaged its stakeholders through various mediums and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns to improve services and products' standards, as well as to sustain business operations for long term growth.

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are able to impact the Group's business and operations.

Six (6) stakeholder groups have been identified through an assessment of their significance to the business operations, namely, suppliers, customers, employees, community, investors, and regulators.

The Company has undertaken a process to determine the environmental, social and governance issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually.

CORPORATE GOVERNANCE REPORT

Having identified the stakeholders and the material issues, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships.

Please refer to the Sustainability Report on pages 15 to 43 of this Annual Report for further details.

Provision 13.3 – The company maintains a current corporate website to communicate and engage with stakeholders.

The Company maintains a corporate website to facilitate communication and engagement with its stakeholders, and endeavours to keep it current and informative. All material information relating to the performance and development of the Group and the Company is disclosed in a timely, accurate and comprehensive manner via SGXNet, press releases and, when available, the Company's website, and the Company does not practise selective disclosure of material information. While the Company's website is currently undergoing maintenance, all materials relating to the Group's half year and full year financial results and key corporate information remain accessible via SGXNet, and will be uploaded or refreshed on the Company's website once maintenance is completed.

F. OTHER CORPORATE GOVERNANCE MATTERS

DEALING IN SECURITIES

In compliance with Rule 1204(19) of the Catalist Rules on best practices in respect of dealing in securities, the Group has in place an internal compliance policy which prohibits the Company's Directors, KMP and their connected persons from dealing in the Company's shares during the period beginning one (1) month immediately preceding the announcement of the Company's half year and full year results respectively ("**Prohibited Periods**"), or if they are in possession of unpublished price-sensitive information of the Group.

In addition, Directors, KMP and connected persons are required to comply with and observe laws on insider trading even when dealing in the Company's shares outside the Prohibited Periods. They are also refrained from dealing in the Company's shares on short-term considerations.

All Directors are required to seek Board's approval before trading in the Company's shares and are also required to notify the Company Secretary of any change in his interest in the Company's shares within two business days of the change.

There was no trading of the Company's shares by insiders during FY2025.

MATERIAL CONTRACTS

Pursuant to Rule 1204(8) of the Catalist Rules, save for (i) the settlement agreement dated 14 September 2025 announced by the Company on 19 September 2025; and (ii) the service contract between the Company and the Executive Director, no material contracts had been entered into by the Company and its subsidiaries involving the interests of any Director or controlling shareholder, which are either still subsisting at the end of the financial year or if not then subsisting, entered into during the financial year.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS

To ensure compliance with Chapter 9 of the Catalist Rules, in FY2025, the AC and the Board met half yearly to review if the Company will be entering into any interested person transactions (“IPTs”).

If the Company is intending to enter into an IPT, the AC and the Board will ensure that the transaction is carried out on an arm’s length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

The Group does not have a general mandate from shareholders for IPTs pursuant to Rule 920 of the Catalist Rules.

The aggregate value of IPT entered into by the Group for FY2025 is as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Dr Tan Pang Kee	Former Chief Executive Officer/ Managing Director of the Company, who is also a controlling shareholder of the Company	(i) The cessation payments of S\$462,000 and S\$216,000 to be made to Dr Tan Pang Kee and Mr Tan Guan Liang respectively, pursuant to the settlement agreement dated 14 September 2025.	Not applicable
Mr Tan Guan Liang	Former Executive Director of the Company, who is also an associate of Dr Tan Pang Kee	(ii) Sale of Company vehicle to Mr Tan Guan Liang at a fair market value of S\$107,000 taking into account three (3) independent quotations obtained by the Company. The amount will be offset against the cessation payment to Mr Tan Guan Liang.	Not applicable

CORPORATE GOVERNANCE REPORT

Shareholders' approval has been obtained on 13 January 2026 for, inter alia, the aforementioned IPT on the proposed cessation payments to Dr Tan Pang Kee and Mr Tan Guan Liang. Save as disclosed above, there were no other IPTs entered into by the Group during FY2025.

NON-SPONSOR FEES

In compliance with Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid to the Company's current sponsor, ZICO Capital Pte. Ltd., and former sponsor, RHT Capital Pte. Ltd., during FY2025.

USE OF PROCEEDS

(a) Placement of 154,000,000 new shares completed on 24 January 2025 ("Proposed Subscription")

The Company raised net proceeds of S\$3.9 million from the Proposed Subscription. As disclosed in the Company's circular dated 23 December 2024 in relation to the Proposed Subscription, the net proceeds will be used on the following (i) 30% for market expansion of existing and new products in respect of its core business activities ("**Market Expansion**"), (ii) 20% for low cost sourcing strategies of existing and new products in respect of its core business activities ("**Low Cost Sourcing**"), (iii) 30% for identifying potential new businesses other than its existing principal business activities ("**Potential New Business**") and (iv) 20% for the purposes of working capital of the Group ("**Working Capital**").

As of the date of this Annual Report, the net proceeds from the Proposed Subscription have been partially utilized and the balance is as follows:

	<u>S\$'000</u>
Gross proceeds received	4,158
Less: Share issuance expenses	<u>(217)</u>
Net proceeds available	<u>3,941</u>

	Allocation of net proceeds as disclosed in the circular	Amount utilized as at the date of this Annual Report	Balance as at the date of this Annual Report
	S\$'000	S\$'000	S\$'000
Market Expansion	1,182	–	1,182
Low Cost Sourcing	788	788	–
Potential New Business	1,182	–	1,182
Working Capital	789	789*	–
Total	3,941	1,577	2,364

CORPORATE GOVERNANCE REPORT

* Working Capital breakdown is set out as below:

	S\$'000
Professional Fee	55
Director Remuneration	247
Director Fees	74
Salaries and Wages	413
TOTAL	789

(a) **Proposed Issuance of Convertible Notes announced on 23 January 2026 ("Proposed Convertible Notes")**

On 23 January 2026, the Company entered into a subscription agreement with two subscribers to raise net proceeds of S\$4.1 million from the Proposed Convertible Notes. As disclosed in the Company's announcement dated 23 January 2026 in relation to the Proposed Convertible Notes, the net proceeds will be used on the following (i) 50% of the net proceeds for working capital purposes of the Group ("**Working Capital**"); and (ii) the remaining 50% will be used for investment in potential business opportunities that may arise ("**Potential New Business**").

As of the date of this Annual Report, the Company has received the full gross proceeds of S\$4,158,000 from the two (2) subscribers. None of the net proceeds received by the Company has been utilized as at the date of this Annual Report. Please see details as follows:

	S\$'000
Gross proceeds received by the Company	4,158
Less: Expenses related to Proposed Convertible Notes	(53)
Net proceeds available	<u>4,105</u>

	Allocation of net proceeds as disclosed in the announcement	Amount utilized as at the date of this Annual Report	Balance as at the date of this Annual Report
	S\$'000	S\$'000	S\$'000
Potential New Business	2,052.50	–	2,052.50
Working Capital	2,052.50	–	2,052.50
Total	4,105.00	–	4,105.00

CORPORATE GOVERNANCE REPORT

APPENDIX – INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION

Name of Director	Mr Kho	Dr Fu	Dr Liu
Date of appointment	15 May 2025	5 February 2026	17 October 2025
Date of last election	–	–	–
Age	49	53	54
Country of principal residence	Singapore	China	China
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered, among others, Mr Kho's performance as an Independent and Non-Executive Director of the Company.	The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered, among others, Dr Fu's performance as an Independent and Non-Executive Director of the Company.	The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered, among others, Dr Liu's performance as an Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Executive To lead the Company on research and development ("R&D") and innovation system, driving technological upgrades, product iteration, and process optimization focusing on (a) Technology Strategy Formulation and Planning; (b) R&D and Innovation Management; (c) Technology Industrialization and Operational Support; (d) Team Building and Talent Development; (e) Compliance, Security, and Sustainable Development (ESG); and (f) External Partnerships and Investor Communications

CORPORATE GOVERNANCE REPORT

Name of Director	Mr Kho	Dr Fu	Dr Liu
Job title	Non-Executive Chairman and Independent Director, Chairman of Audit Committee, Member of Nominating Committee and Remuneration Committee.	Non-Executive and Independent Director, Chairman of Remuneration Committee, Member of Nominating Committee and Audit Committee	Executive Director and Chief Technical Officer
Professional qualifications	Chartered Financial Analyst (CFA) Bachelor of Business (Financial Analysis) and Minor in Applied Economics	Doctor of Philosophy (PhD) in Textile Science and Engineering at Jiangnan University Master of Materials Science at Qingdao University Bachelor of Polymer Materials Science and Engineering at Qingdao University	Doctor of Philosophy (PhD) in Applied Chemistry at Dalian University of Technology Master of Science in Applied Chemistry at Qiqihar University
Working experience and occupations (s) during past 10 years	April 2013 to present: CEO of Willan Capital Pte Ltd 2017 to 2018: Executive Director of Taiyo Asset Management Pte Ltd 2014 to 2016: Executive Director of Pacific Star (Greater China) Pte Ltd	November 2025 to present: Director of the Department of Development Planning and Discipline Construction at Jiangnan University January 2017 to November 2025: Dean of the College of Textile Science and Engineering at Jiangnan University January 2015 to December 2016: Vice Dean of the Institute of Science and Technology and Director of the Military Industry Office at Jiangnan University	April 2025 to May 2025: Deputy General Manager and Director of the Technical Center of Hunan Jingfeng Chemical Technology Co., Ltd. (Ruiguan Biopharma invested in Hunan Jingfeng Chemical Technology Co., Ltd.) December 2024 to March 2025: Special Advisor to the General Manager at Ruiguan Biotechnology CO., Ltd. October 2023 to April 2024: General Manager at Hengshui Quark Biotechnology Co., Ltd.

CORPORATE GOVERNANCE REPORT

Name of Director	Mr Kho	Dr Fu	Dr Liu
			<p>December 2021 to December 2022: General Manager at Fuzhou Xingchen Pharmaceutical Co., Ltd.</p> <p>March 2014 to December 2021: Executive Manager at Amly Chemicals Co., Ltd. (a former subsidiary of Nanyang New Development Limited (formerly known as Matex International Limited))</p>
Shareholdings interest in the listed issuer and its subsidiaries	NIL	NIL	NIL
Any relationship (including immediate family relationships) with any existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None	None
Conflicts of interest (including any competing business)	None	None	None
Undertaking (in the format set out in Appendix 7H under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

CORPORATE GOVERNANCE REPORT

Name of Director	Mr Kho	Dr Fu	Dr Liu
Other Principal Commitments including Directorships	<p><u>Past (for the last 5 years)</u></p> <ul style="list-style-type: none"> • Pollux Properties Ltd • SBI Offshore Ltd • Willan (Tianjin) Asset Management Ltd • Willan Consultants Pte Ltd • Energyport VCC • XM Holdco Pte Ltd • CEG Tech Engineering Pte Ltd • Novel Solar Pte Ltd <p><u>Present</u></p> <ul style="list-style-type: none"> • Willan Capital Pte. Ltd. • MIB Investments Pte Ltd • Willan (Tianjin) Business Advisory Ltd • Rich Capital Holdings Ltd • Platinum Project Consultancy Pte Ltd • Sunshine Investments Pte Ltd • Farmland Investments Pte Ltd • Farmland Star Property Pte Ltd • Alpha Cont9ct Omega Pte Ltd • OceanScape International Ltd 	<p><u>Past (for the last 5 years)</u></p> <p>NIL</p> <p><u>Present</u></p> <ul style="list-style-type: none"> • Fellow of the China Textile Engineering Society • Dean of the College of Textile Science and Engineering, Jiangnan University • Director of the Key Laboratory of Special Protective Textiles, Ministry of Education • Invited Vice Chairman of China Textile Engineering Society 	<p><u>Past (for the last 5 years)</u></p> <p>NIL</p> <p><u>Present</u></p> <p>NIL</p>
(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 partner or at any time within 2 years from the date, he ceased to be a partner?	No	No	No

CORPORATE GOVERNANCE REPORT

Name of Director	Mr Kho	Dr Fu	Dr Liu
(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 any 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
(c) Whether there is any unsatisfied judgement against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings of which he is aware) for such purpose?	No	No	No

CORPORATE GOVERNANCE REPORT

Name of Director	Mr Kho	Dr Fu	Dr Liu
(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 (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgement 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
(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

CORPORATE GOVERNANCE REPORT

Name of Director	Mr Kho	Dr Fu	Dr Liu
(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
(i) Whether he has ever been the subject of any order, judgement 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
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	Yes Please refer to announcement dated 14 May 2025 No	No No	No No

CORPORATE GOVERNANCE REPORT

Name of Director	Mr Kho	Dr Fu	Dr Liu
<p>(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</p> <p>(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,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	<p>No</p> <p>No</p>	<p>No</p> <p>No</p>	<p>No</p> <p>No</p>
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceeding, 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?</p>	<p>Yes Please refer to announcement dated 14 May 2025</p>	<p>No</p>	<p>No</p>

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The directors present their statement together with the audited consolidated financial statements of Nanyang New Development Limited (formerly known as Matex International Limited) (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2025 and statement of financial position as at 31 December 2025 and statement of changes in equity of the Company for the financial year ended 31 December 2025.

In the opinion of the directors:

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

1 Directors

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

Mr James Kho Chung Wah	(appointed on 15 May 2025)
Mr Chng Hee Kok	(appointed on 01 May 2025)
Dr Fu Shao Hai	(appointed on 05 February 2026)
Dr Liu Shen	(appointed on 17 October 2025)

2 Arrangements to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 Directors' Interests in Shares and Debentures

No director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

There was no change in any of the directors' interests in the Company between the end of the financial year and 21 January 2026.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4 Share Options

- (a) Option to take up unissued shares

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

- (b) Option exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

- (c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5 Audit Committee

The members of the Audit Committee at the date of this statement comprise an Independent Non-Executive Chairman and two independent directors as follows:

James Kho Chung Wah (Chairman)
Chng Hee Kok
Fu Shao Hai

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

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
- Reviewed the half yearly financial results and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5 Audit Committee (Continued)

The Audit Committee ("AC") carried out its functions in accordance with section 201B (5) of the Singapore Companies Act 1967, including the following: (cont'd)

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Reviewed the nature and extent of non-audit services provided by the external auditor (if any);
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

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

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

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

6 Auditors

The independent auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment as auditors.

On behalf of the board of directors:

Mr James Kho Chung Wah
Director

Dr Liu Shen
Director

Singapore
13 Apr 2026

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NANYANG NEW DEVELOPMENT LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Nanyang New Development Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NANYANG NEW DEVELOPMENT LIMITED

Key Audit Matters (Continued)

Key Audit Matter	Our audit performed and responses thereon
<p>Valuation of trade receivables</p> <p>We refer to Note 2.15, Note 3.2(a), Note 15 and Note 30(a) to the financial statements.</p> <p>As at 31 December 2025, the carrying amount of the Group's trade receivables amounted to \$616,000, net of allowance for expected credit loss ("ECL") of \$1,248,000.</p> <p>During the current financial year, the Group recognised an impairment loss provision of \$151,000 on these trade receivables.</p> <p>We focus on this area because there are judgements and estimates involved in the application of the ECL model and loss allowance provision.</p>	<p>We obtained an understanding of the credit policy of the Group and evaluated the process for monitoring of trade receivables.</p> <p>We reviewed the Group's control over the receivables collection processes, analysed the ageing of trade receivables and reviewed the Group's loss allowance against trade receivables and its disclosures about the degree of estimation involved in arriving at the expected credit loss.</p> <p>We found the estimates used by management in deriving the expected credit loss model and impairment provision adequate.</p>
<p>Valuation of inventories</p> <p>We refer to Note 2.17, Note 3.2(b) and Note 14 to the financial statements.</p> <p>The carrying amount of the Group's inventories amounted to \$1,173,000 as at 31 December 2025.</p> <p>Inventories are carried in the financial statements at the lower of cost and net realisable value.</p> <p>During the current financial year, the Group has written down inventories of \$313,000.</p> <p>There are judgements and estimates involved in determining the amount of write down for slow-moving and obsolete inventories by considering factors such as the condition and age of inventories, future market demand, environmental regulations requirements and pricing competition.</p>	<p>We designed and performed the following key procedures, among others:</p> <ul style="list-style-type: none"> – We checked and analysed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventories obsolescence. – We evaluated management's process in determining the write down of inventory, taking into consideration inventory ageing, physical condition of the inventories, past and expected future sales. – We evaluated and tested management's assessment of inventories to state them at the lower of cost and net realisable value. <p>We found the estimates used by management in deriving the write down for inventory obsolescence to be within a reasonable range.</p>

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NANYANG NEW DEVELOPMENT LIMITED

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NANYANG NEW DEVELOPMENT LIMITED

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the Group audit. We remain solely responsible for our audit opinion.

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NANYANG NEW DEVELOPMENT LIMITED

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ling Kim Chuan.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
13 Apr 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group	
		2025 \$'000	2024 \$'000
Revenue	4	5,859	7,002
Cost of sales		(4,994)	(5,537)
Gross profit		865	1,465
Other income		332	191
Selling and distribution expenses		(819)	(924)
Administrative expenses		(6,342)	(4,058)
Other operating expenses		(2)	(124)
Finance income	5	89	285
Finance expenses	5	(71)	(51)
Write back of loss allowance on trade receivables	15	10	–
Impairment loss on financial assets	15, 16	(1,061)	–
Impairment loss on non-financial assets	9	(651)	–
Share of associate's loss	12	(91)	(60)
Loss before taxation	7	(7,741)	(3,276)
Income tax expense	8	(5)	(13)
Loss for the year		(7,746)	(3,289)
Other comprehensive (loss)/income:			
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Net loss on the fair value change of equity investments at fair value through other comprehensive income		(369)	(1,065)
<i>Item that will be reclassified subsequently to profit or loss</i>			
Currency translation difference		31	67
Other comprehensive loss for the year, net of tax		(338)	(998)
Total comprehensive loss for the year		(8,084)	(4,287)
Loss attributable to:			
Owners of the Company		(6,771)	(2,654)
Non-controlling interests		(975)	(635)
		(7,746)	(3,289)
Total comprehensive loss attributable to:			
Owners of the Company		(7,154)	(3,652)
Non-controlling interests		(930)	(635)
		(8,084)	(4,287)
Loss per share (cents per share)			
– Basic and diluted	27	(1.34)	(0.73)

The accompanying notes form an integral part of the financial statements

STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Non-current assets					
Property, plant and equipment	9	329	1,052	1	137
Right-of-use assets	10	7	515	–	178
Intangible assets	10A	8	–	–	–
Investment in subsidiaries	11	–	–	4,969	1,279
Investment in an associate	12	74	165	–	–
Other long-term investments	13	–	369	–	369
		418	2,101	4,970	1,963
Current assets					
Inventories	14	1,173	1,551	–	–
Trade and notes receivables	15	1,082	1,819	452	570
Other receivables and deposits	16	789	882	56	2,856
Prepayments		31	35	13	16
Fixed deposits	17	–	2,702	–	2,702
Cash and bank balances	17	8,355	6,154	2,236	3,286
		11,430	13,143	2,757	9,430
Total assets		11,848	15,244	7,727	11,393
Current liabilities					
Trade payables	18	998	1,278	–	–
Other payables and accruals	19	4,865	4,390	897	386
Contract liabilities	4	6	32	–	–
Tax payables		–	4	–	–
Lease liabilities	10	15	205	–	18
Term loans	20	1,832	1,060	–	–
		7,716	6,969	897	404
Net current assets		3,714	6,174	1,860	9,026

The accompanying notes form an integral part of the financial statements

STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONTINUED)

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Non-current liabilities					
Deferred tax liabilities	21	63	76	-	-
Other payables	19	14	14	-	-
Lease liabilities	10	22	226	-	83
		99	316	-	83
Net assets					
		4,033	7,959	6,830	10,906
Equity					
Share capital	22	30,011	25,853	30,011	25,853
Capital reserve	23	294	294	-	-
Enterprise expansion reserve	24	4,349	4,349	-	-
General reserve	24	4,349	4,349	-	-
Translation reserve	25	(17)	(3)	-	-
Fair value reserve	26	(1,434)	(1,065)	(1,434)	(1,065)
Accumulated losses		(31,499)	(24,728)	(21,747)	(13,882)
		6,053	9,049	6,830	10,906
Non-controlling interests		(2,020)	(1,090)	-	-
Total equity		4,033	7,959	6,830	10,906

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Attributable to equity holders of the Company						Equity			
	Share capital \$'000	Capital reserve \$'000	Enterprise expansion reserve \$'000	General reserve \$'000	Translation reserve \$'000	Fair value reserve \$'000	Accumulated losses \$'000	Equity attributable to owners of the Company, total \$'000	Non-controlling interests \$'000	Equity total \$'000
Opening balance as at 1 January 2025	25,853	294	4,349	4,349	(3)	(1,065)	(24,728)	9,049	(1,090)	7,959
Loss for the year	-	-	-	-	-	-	(6,771)	(6,771)	(975)	(7,746)
Other comprehensive (loss)/income for the year	-	-	-	-	(14)	(369)	-	(383)	45	(338)
Total comprehensive loss for the year	-	-	-	-	(14)	(369)	(6,771)	(7,154)	(930)	(8,084)
Issuance of new ordinary shares	4,158	-	-	-	-	-	-	4,158	-	4,158
Closing balance as at 31 December 2025	30,011	294	4,349	4,349	(17)	(1,434)	(31,499)	6,053	(2,020)	4,033
Opening balance as at 1 January 2024	25,853	294	4,349	4,349	(70)	-	(22,074)	12,701	(455)	12,246
Loss for the year	-	-	-	-	-	-	(2,654)	(2,654)	(635)	(3,289)
Other comprehensive income/(loss) for the year	-	-	-	-	67	(1,065)	-	(998)	-	(998)
Total comprehensive income/(loss) for the year	-	-	-	-	67	(1,065)	(2,654)	(3,652)	(635)	(4,287)
Closing balance as at 31 December 2024	25,853	294	4,349	4,349	(3)	(1,065)	(24,728)	9,049	(1,090)	7,959

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONTINUED)

	Share capital	Fair value reserve	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000
Company				
Opening balance as at 1 January 2025	25,853	(1,065)	(13,882)	10,906
Loss for the year	–	–	(7,865)	(7,865)
Other comprehensive loss	–	(369)	–	(369)
Issuance of new ordinary shares	4,158	–	–	4,158
Closing balance as at 31 December 2025	30,011	(1,434)	(21,747)	6,830
Opening balance as at 1 January 2024	25,853	–	(12,717)	13,136
Loss for the year	–	–	(1,165)	(1,165)
Other comprehensive loss	–	(1,065)	–	(1,065)
Closing balance as at 31 December 2024	25,853	(1,065)	(13,882)	10,906

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	2025 \$'000	2024 \$'000
Cash flows from operating activities		
Loss before taxation	(7,741)	(3,276)
Adjustments:		
Interest expense on borrowings and lease liabilities	71	51
Interest income	(89)	(285)
Write back of loss allowance on trade receivables	(10)	–
Gain on disposal of property, plant and equipment	(143)	(5)
Right-of-use assets written off	352	121
Depreciation of property, plant and equipment	67	91
Depreciation of right-of-use assets	155	584
Amortisation of intangible assets	2	–
Reversal of inventories written down	–	(6)
Inventories written down	313	7
Impairment loss on financial assets – trade receivables	151	–
Impairment loss on financial assets	910	–
Impairment loss on non-financial assets	651	–
Share of associate's loss	91	60
Exchange differences	(146)	129
Operating cash flows before changes in working capital changes	(5,366)	(2,529)
Decrease/(Increase) in inventories	83	(169)
Increase in trade and notes receivables	(331)	(747)
Decrease/(Increase) in other receivables and prepayments	85	(63)
Increase in trade and other payables	319	853
(Decrease)/Increase in contract liabilities	(25)	22
Cash used in operations	(5,235)	(2,633)
Interest paid	(71)	(51)
Interest received	89	285
Income tax refunded/(paid)	23	(4)
Net cash flows used in operating activities	(5,194)	(2,403)
Cash flows from investing activities		
Purchase of property, plant and equipment	(85)	(566)
Proceeds from disposal of property, plant and equipment	266	5
Purchase of other long-term investment	–	(1,300)
Purchase of intangible assets	(10)	–
Payment to acquire an associate	–	(225)
Refund to former subsidiary	–	(1,138)
Net cash flows generated from/(used in) investing activities	171	(3,224)

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONTINUED)

	Note	2025 \$'000	2024 \$'000
Cash flows from financing activities			
Proceeds from issuance of ordinary shares from placement		4,158	–
Payment of principal portion of lease liabilities		(242)	(582)
Proceeds from loans and borrowings		1,832	–
Repayment of loans and borrowings		(1,029)	(1,294)
Net cash flows generated from/(used in) financing activities		4,719	(1,876)
Net decrease in cash and cash equivalents		(304)	(7,503)
Effect of exchange rate changes on cash and cash equivalents		(197)	(10)
Cash and cash equivalents at the beginning of the year		8,856	16,369
Cash and cash equivalents at the end of the year	17	8,355	8,856

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

1 GENERAL

Nanyang New Development Limited (formerly known as Matex International Limited) (the "Company") is a limited liability company, which is incorporated and domiciled in the Republic of Singapore and publicly traded on the Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 1003, Bukit Merah Central, #01-10 Inno Centre, Singapore 159836.

The principal activities of the Company are the formulation, manufacturing and sale of specialty chemicals focusing on dyestuff and auxiliaries for the textile industry.

The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

The financial statements for the financial year ended 31 December 2025 were approved and authorised for issue by the board of directors in accordance with a resolution of the directors on the date of the Directors' Statement.

2 MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (the "SFRS(I)") and the provision of the Singapore Companies Act 1967. The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

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

2.2 Adoption of new and amended standards and interpretations

(a) *Adoption of New and Revised SFRS(I) issued which are effective*

On 1 January 2025, the Group has adopted the new or amended SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INTs") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INTs. The adoption of the new or amended SFRS(I) and SFRS(I) INTs did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Adoption of New and Revised SFRS(I) issued but not yet effective

At the date of authorisation of these financial statements, the following standards that have been issued and are relevant to the Group and Company but not yet effective:

		Effective for annual financial periods beginning on or after
Amendments to SFRS(I) 9 and SFRS(I) 7	<i>Amendments SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to SFRS(I)s	<i>Annual Improvements to SFRS(I)s – Volume 11</i>	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7	<i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Amendments to SFRS(I) 18	<i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to SFRS(I) 19	<i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28	<i>Amendments to SFRS(I) 10 and SFRS(I) 1-28 Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associate or joint venture</i>	Deferred indefinitely, early application is still permitted

SFRS(I) 18: Presentation and Disclosure in Financial Statements

This standard will replace SFRS(I) 1-1 *Presentation of Financial Statements*. Whilst many of the requirements will remain consistent, the new standard will have impacts on the presentation of the Consolidated Statement of Comprehensive Income and consequential impacts on the Consolidated Statement of Cash Flows. It will also require the disclosure of the non-SFRS(I) management performance measures and may impact the level of aggregation and disaggregation throughout the primary financial statements and the notes.

An entity is required to apply the amendments to SFRS(I) 1-1 for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. SFRS(I) 18 requires retrospective application with specific transition provisions.

Other than the above, the Directors do not expect any material impact from the application of these standards.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation

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

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

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

When the Group loses control of a subsidiary, it:

- derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest (including any components of other comprehensive income attributable to them);
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained in the former subsidiary at its fair value;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate; and
- recognises any resulting difference in profit or loss.

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

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional 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. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in SFRS(I) 3.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Transactions with non-controlling interests

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

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

2.6 Foreign currency

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

(a) *Transactions and balances*

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

Exchange differences arising from the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) *Consolidated financial statements*

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment

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

Property, plant and equipment are depreciated using the straight-line method against the cost (in the case of People's Republic of China ("PRC") subsidiary companies, less estimated residual value of the fixed asset at 10% of cost), over their estimated useful lives. The estimated useful lives have been taken as follows:

Leasehold properties	5 to 91 years
Plant and equipment	3 to 10 years
Renovation, electrical and fittings	5 to 10 years
Motor vehicles	5 to 10 years

Assets under construction included in plant and equipment 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 residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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

2.8 Land use rights

Land use rights relate to property in the PRC.

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation. The land use rights are amortised on a straight-line basis over the lease term of 50 years.

An assessment of the carrying value of land use rights is made when there are indications that the assets have been impaired or the impairment losses recognised in prior years no longer exist.

Gains or losses arising from the retirement or disposal of land use rights are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Intangible assets

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

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 are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Intangible assets relate to software and is amortised on a straight-line basis over a period of 5 years.

2.10 Share capital and share issue expenses

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

2.11 Impairment of non-financial assets

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

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

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

2.13 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Goodwill on acquisition of associates represents the excess of the cost of acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associates is included in the carrying amount of the investments. Gains and losses on the disposal of associates include the carrying amounts of goodwill relating to the entity sold.

Investments in associates are accounted for using the equity method of accounting less impairment losses, if any. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

When the Group reduces its ownership interest in an associate, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equal or exceed its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Associates (Continued)

Profits and losses resulting from upstream and downstream transactions between the Group and its associate is recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are elated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.14 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

Debt instruments

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

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

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

Equity instruments

Financial assets that are equity instruments comprise mainly investment in equity securities. The Group classified these assets as fair value through profit or loss (FVPL), except for those that the Group has designated as Fair Value through Other Comprehensive Income (FVOCI). The FVOCI designation is irrevocable, and is not permitted for held-for-trading financial assets and financial assets that represent contingent consideration in a business combination.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (Continued)

(a) Financial assets (Continued)

Initial recognition and measurement (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent pattern of short-term profit taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Subsequent measurement

Investment in debt instruments at amortised cost

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

Equity instruments

Subsequent to initial recognition, all equity investments are measured at fair value. Changes in the fair value of FVPL equity instruments are recognised in profit or loss, while changes in the fair value of FVOCI equity investments are recognised in other comprehensive income. All dividend income is recognised in profit and loss, except for dividends from FVOCI equity instruments that clearly represent a recovery of the cost of investment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (Continued)

(a) Financial assets (Continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership 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 received.

On derecognition of a financial asset that is a debt instrument, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, for a financial asset that is a debt instrument at FVOCI, the cumulative gain or loss previously accumulated in the fair value adjustment reserve is reclassified to profit or loss.

On derecognition of an equity instrument at FVOCI, this difference is instead recognised directly in equity as part of retained earnings. Cumulative gains and losses previously accumulated in equity are also transferred directly to retained earnings upon derecognition of FVOCI equity investments.

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (Continued)

(b) *Financial liabilities* (Continued)

Derecognition

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

2.15 Impairment of financial assets

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

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

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For notes receivables, the Group applies 12-month ECL in calculating ECLs.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and fixed deposits. Cash equivalents are short-term, highly liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Inventories

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

- (a) Raw materials: purchase costs on a weighted average basis;
- (b) Finished goods and work-in-progress: cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

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

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

2.18 Provisions

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

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

2.19 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred 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 instalments.

2.20 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Employee benefits

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. In addition, the subsidiary companies in the PRC pay fixed contributions to the retirement insurance and medical insurance schemes organised by the social security bureau and have no further payment obligations once the contributions have been paid. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

2.22 Leases

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

As lessee

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

(i) *Right-of-use assets*

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

Office premises	3 to 5 years
Land use rights	50 years
Motor vehicles	5 years
Office equipment	10 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Leases (Continued)

As lessee (Continued)

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

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

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

(ii) *Lease liabilities*

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

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

(iii) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.23 Revenue

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

The Group produces and supplies dyestuffs, auxiliaries and textile chemical products to manufacturers mainly in the textile industry.

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 is satisfied at a point in time and accordingly, revenue is recognised at a point in time.

Revenue is recognised when the goods or services are delivered to the customer and all criteria for acceptance have been satisfied. The amount of revenue recognised is based on the transaction price which comprises the contractual price. There are no variable considerations that would modify transaction price and accordingly, no significant judgement is involved in estimating the revenue.

2.24 Taxes

(a) *Current income tax*

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

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

(b) *Deferred tax*

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.24 Taxes (Continued)

(b) *Deferred tax* (Continued)

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.24 Taxes (Continued)

(b) *Deferred tax* (Continued)

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

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

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

2.25 Contingencies

A contingent liability is:

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

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

Contingent liabilities and assets are not recognised on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 Judgements made in applying accounting policies

Critical judgement is required in the application of accounting policies when preparing the financial statements. Management is of the opinion that the instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates.

3.2 Key sources of estimation uncertainty

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

(a) Allowance for expected credit losses of trade receivables

The Group determines ECLs and impairment of trade receivables by making debtor-specific assessment of expected impairment loss for long overdue trade receivables, and using a provision matrix for the remaining trade receivables.

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 30(a) to the financial statements.

The carrying amount of the Group's and the Company's trade receivables as at 31 December 2025 are \$616,000 (2024: \$851,000) and \$452,000 (2024: \$570,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(b) Allowance for slow-moving and obsolete inventories

A review of the realisable value of the inventories is performed periodically for slow-moving, obsolete, and inventories which have a decline in net realisable value below cost. An allowance is recorded against the inventory balance for any such declines. These reviews require management to estimate future market demand for the products, pricing competitions, environmental regulations requirements and age of the inventories. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 14 to the financial statements.

The carrying amount of the Group's inventories as at 31 December 2025 is \$1,173,000 (2024: \$1,551,000).

(c) Impairment of non-financial assets (property, plant and equipment and right-of-use assets)

The recoverable amounts of the cash generating units ("CGU") are determined based on value in use, which are computed using a discounted cash flow model. This assessment required management to exercise significant judgement over various inputs and assumptions such as revenue growth rates, gross margins and discount rate. The key assumptions applied in the determination of the value in use of property, plant and equipment and right-of use assets are disclosed in Note 9 and 10 to the financial statements respectively.

The carrying amount of the Group's property, plant and equipment and right-of-use assets as at 31 December 2025 is \$329,000 and \$7,000 respectively (2024: \$1,052,000 and \$515,000) respectively.

4 REVENUE

(a) Disaggregation of revenue

	Group	
	2025 \$'000	2024 \$'000
Primary geographical markets		
People's Republic of China ("PRC")	4,304	4,785
Malaysia	511	657
Singapore	1,044	1,560
Sale of goods at a point in time	5,859	7,002

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4 REVENUE (CONTINUED)

(b) *Receivables and contract liabilities*

Information about receivables and contract liabilities from contracts with customers is disclosed as follows:

	Group		1 January
	2025	2024	2024
	\$'000	\$'000	\$'000
Receivables from contract with customers (Note 15)	616	851	931
Contract liabilities	6	32	10

Contract liabilities relate primarily to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers. Contract liabilities are recognised as revenue as the Group performs under the contract.

Significant changes in contract liabilities are explained as follows:

	Group	
	2025	2024
	\$'000	\$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	32	10
Increase due to cash received, excluding amounts recognised as revenue during the year	(6)	(32)

5 FINANCE INCOME/(EXPENSES)

	Group	
	2025	2024
	\$'000	\$'000
Finance income		
– Interests from fixed deposits and bank balances	89	285
Finance expenses		
– Interest on term loans	(45)	(25)
– Interest on lease liabilities	(26)	(26)
	(71)	(51)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6 PERSONNEL EXPENSES

The following personnel expenses include directors' remuneration.

	Group	
	2025 \$'000	2024 \$'000
Salaries and bonuses	3,972	2,839
Defined contribution plans	143	136
Other personnel expenses	55	79
	4,170	3,054

7 LOSS BEFORE TAXATION

This is determined after (charging)/crediting the following:

	Group	
	2025 \$'000	2024 \$'000
Depreciation of property, plant and equipment	(67)	(91)
Depreciation of right-of-use assets	(155)	(584)
Amortisation of intangible assets	(2)	–
Inventories recognised as an expense in cost of sales (Note 14)	(4,994)	(5,537)
Audit fees paid to:		
– Auditor of the Company	(86)	(89)
– Other auditors (network firm)	(6)	(5)
– Other auditors (non-network firm)	(63)	(44)
Personnel expenses (Note 6)	(4,170)	(3,054)
Inventories written down (Note 14)	(313)	(7)
Reversal for inventories written down (Note 14)	–	6
Foreign exchange (loss)/gain	(256)	230
Gain on disposal of property, plant and equipment	143	5
Write back of loss allowance on trade receivables (Note 15)	10	–
Impairment losses on financial assets trade receivables (Note 15)	(151)	–
Impairment losses on financial assets (Note 16)	(910)	–
Impairment losses on non-financial assets (Note 9)	(651)	–
Right-of-use assets written off	(352)	(121)
Transportation expense	(43)	(19)
Government grants	16	8

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8 INCOME TAX EXPENSE

The major components of income tax expense for the year ended 31 December are:

	Group	
	2025	2024
	\$'000	\$'000
Statement of comprehensive income:		
Current income tax:		
– Current income taxation	18	3
Deferred tax		
– Current year charge (Note 21)	(13)	10
Income tax expense recognised in the statement of comprehensive income	<u>5</u>	<u>13</u>

Relationship between tax expense and accounting loss

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

	Group	
	2025	2024
	\$'000	\$'000
Loss before taxation	(7,741)	(3,276)
Tax at domestic tax rate of 17% (2024: 17%)	(1,315)	(557)
Adjustments:		
Non-deductible expenses	687	295
Income not subject to taxation	(15)	(50)
Difference in tax rates applicable to overseas operations	(271)	(117)
Utilisation of deferred tax assets previously not recognised	–	(79)
Deferred tax assets not recognised	919	521
Income tax expense recognised in the statement of comprehensive income	<u>5</u>	<u>13</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9 PROPERTY, PLANT AND EQUIPMENT

	Leasehold Properties \$'000	Plant and equipment \$'000	Renovation, electrical and fittings \$'000	Motor vehicles \$'000	Construction- in-progress \$'000	Total \$'000
Group						
<u>Cost</u>						
At 1 January 2025	1,352	13,661	965	792	1,079	17,849
Additions	–	37	1	47	–	85
Disposals/written off	–	(130)	–	(356)	–	(486)
Exchange differences	10	3	4	1	–	18
At 31 December 2025	1,362	13,571	970	484	1,079	17,466
<u>Cost</u>						
At 1 January 2024	1,331	13,707	1,016	816	517	17,387
Additions	–	3	1	–	562	566
Disposals/written off	–	(60)	(58)	(34)	–	(152)
Exchange differences	21	11	6	10	–	48
At 31 December 2024	1,352	13,661	965	792	1,079	17,849
<u>Accumulated depreciation and impairment loss</u>						
At 1 January 2025	1,234	13,579	875	652	457	16,797
Charge for the year	2	41	5	19	–	67
Disposals/written off	–	(129)	–	(234)	–	(363)
Impairment	–	–	–	–	651	651
Exchange differences	3	8	2	1	(29)	(15)
At 31 December 2025	1,239	13,499	882	438	1,079	17,137
At 1 January 2024	1,222	13,615	878	650	457	16,822
Charge for the year	3	12	50	26	–	91
Disposals/written off	–	(60)	(58)	(34)	–	(152)
Exchange differences	9	12	5	10	–	36
At 31 December 2024	1,234	13,579	875	652	457	16,797
<u>Net carrying amount</u>						
At 31 December 2024	118	82	90	140	622	1,052
At 31 December 2025	123	72	88	46	–	329

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold Properties \$'000	Plant and equipment \$'000	Renovation, electrical and fittings \$'000	Motor vehicles \$'000	Total \$'000
Company					
2025					
<u>Cost</u>					
As at 1 January 2025	162	519	1	170	852
Disposal	–	(116)	–	(170)	(286)
As at 31 December 2025	162	403	1	–	566
<u>Accumulated depreciation</u>					
At 1 January 2025	162	519	–	34	715
Charge for the year	–	–	–	15	15
Disposal	–	(116)	–	(49)	(165)
At 31 December 2025	162	403	–	–	565
<u>Net carrying amount</u>					
At 31 December 2025	–	–	1	–	1
2024					
<u>Cost</u>					
As at 1 January 2024	162	519	1	170	852
Additions	–	–	2	–	2
Disposal	–	–	(2)	–	(2)
As at 31 December 2024	162	519	1	170	852
<u>Accumulated depreciation</u>					
At 1 January 2024	162	518	1	11	692
Charge for the year	–	1	1	23	25
Disposal	–	–	(2)	–	(2)
At 31 December 2024	162	519	–	34	715
<u>Net carrying amount</u>					
At 31 December 2024	–	–	1	136	137

Cash outflow on property, plant and equipment

The cash outflow on the acquisition of property, plant and equipment by the Group during the year amounted to \$85,000 (2024: \$566,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment of assets

During the current financial year, the Group carried out a review of the recoverable amount of its production facility and equipment, which is defined as the cash generating units ('CGUs') due to losses incurred. The Group recognised an additional impairment loss on property, plant and equipment amounting to \$651,000 to profit or loss in relation to a factory under construction. Following a review of the Group's future operational requirements and strategic plans, management decided to cease construction of the factory. Accordingly, the initial directly attributable costs incurred were deemed irrecoverable.

There is no additional impairment loss recognised for the financial year ended 31 December 2024.

The recoverable amounts were computed based on value in use using a discounted cash flow projection. The post-tax discount rates used were 13.99% (Singapore) and 14.48% (PRC) (2024: 14.41% (Singapore) and 15.07% (PRC)).

10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

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

Group	Office premises⁽²⁾	Land use rights⁽¹⁾	Motor vehicles	Office equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2025					
<u>Cost</u>					
At 1 January 2025	2,022	374	306	8	2,710
Disposal/written off	(2,016)	–	(215)	–	(2,231)
Exchange differences	(6)	(9)	4	–	(11)
At 31 December 2025	–	365	95	8	468
<u>Accumulated depreciation and impairment loss</u>					
At 1 January 2025	1,693	374	128	–	2,195
Depreciation charge for the year	139	–	15	1	155
Disposal/written off	(1,827)	–	(52)	–	(1,879)
Exchange differences	(5)	(9)	4	–	(10)
At 31 December 2025	–	365	95	1	461
<u>Net carrying amount</u>					
At 31 December 2025	–	–	–	7	7

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Group	Office premises⁽²⁾ \$'000	Land use rights⁽¹⁾ \$'000	Motor vehicles \$'000	Office equipment \$'000	Total \$'000
2024					
<u>Cost</u>					
At 1 January 2024	3,174	370	301	20	3,865
Additions	170	–	–	8	178
Disposal/written off	(1,335)	–	–	(20)	(1,355)
Exchange differences	13	4	5	–	22
At 31 December 2024	<u>2,022</u>	<u>374</u>	<u>306</u>	<u>8</u>	<u>2,710</u>
<u>Accumulated depreciation and impairment loss</u>					
At 1 January 2024	2,340	370	101	18	2,829
Depreciation charge for the year	560	–	22	2	584
Disposal/written off	(1,214)	–	–	(20)	(1,234)
Exchange differences	7	4	5	–	16
At 31 December 2024	<u>1,693</u>	<u>374</u>	<u>128</u>	<u>–</u>	<u>2,195</u>
<u>Net carrying amount</u>					
At 31 December 2024	<u>329</u>	<u>–</u>	<u>178</u>	<u>8</u>	<u>515</u>

(1) The land use rights held by the Group relate to property at Plot 43/1 Hong Si Cun, Tang-Zhen Pudong, Shanghai, the PRC. The land use rights have 50 years tenure commencing from 2006.

(2) The Group's office premises with a carrying amount of \$352,000, was written off upon termination of the lease at no cost as at 31 December 2025.

Company – right-of-use assets and lease liabilities

As at 31 December 2024, the right-of-use assets and lease liabilities of the Company comprise motor vehicle with a carrying amount of \$178,000.

Assets pledged as security

The Group's motor vehicles with a carrying amount of \$178,000 were mortgaged to secure the Group's finance lease liabilities as at 31 December 2024.

Impairment of assets

During the current financial year, the Group carried out a review of the recoverable amount of its right-of-use assets due to losses incurred. There is no additional impairment loss recognised for the financial years ended 31 December 2025 and 31 December 2024. The recoverable amount is computed based on value in use using a discounted cash flow projection. The post-tax discount rate used is 14.48% (2024: 15.07%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 20 and the maturity analysis of lease liabilities is disclosed below and in Note 30(b).

The following are the amounts recognised in profit or loss:

	Group	
	2025 \$'000	2024 \$'000
Depreciation of right-of-use assets	155	584
Interest on lease liabilities	26	26

Total cash outflows for leases amounted to \$242,000 (2024: \$582,000).

Future minimum lease payments are disclosed as follows:

	Group	
	Minimum payments 2025 \$'000	Present value of payments 2025 \$'000
	Not later than one year	15
One to six years	23	22
Total minimum lease payments	38	37
Less: amounts representing finance charges	(1)	–
Present value of minimum lease payments	37	37

	Group	
	Minimum payments 2024 \$'000	Present value of payments 2024 \$'000
	Not later than one year	216
One to six years	245	226
Total minimum lease payments	461	431
Less: amounts representing finance charges	(30)	–
Present value of minimum lease payments	431	431

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Future minimum lease payments are disclosed as follows: (Continued)

	Company	
	Minimum payments 2024 \$'000	Present value of payments 2024 \$'000
Not later than one year	22	18
One to six years	99	83
Total minimum lease payments	121	101
Less: amounts representing finance charges	(20)	–
Present value of minimum lease payments	101	101

10A INTANGIBLE ASSETS

	Group Software \$'000	Company Software \$'000
2025		
<u>Cost</u>		
At 1 January 2025	1,035	807
Additions	10	–
As at 31 December 2025	1,045	807
<u>Accumulated amortisation</u>		
At 1 January 2025	1,035	807
Amortisation	2	–
As at 31 December 2025	1,037	807
<u>Net carrying amount</u>		
At 31 December 2025	8	–
2024		
<u>Cost</u>		
At 1 January 2024 and 31 December 2024	1,035	807
<u>Accumulated amortisation</u>		
At 1 January 2024 and 31 December 2024	1,035	807
<u>Net carrying amount</u>		
At 31 December 2024	–	–

Amortisation of intangible assets is charged to general and administrative expenses in the consolidated statement of comprehensive income.

Software pertains to an enterprise-wide information system designed to coordinate information on resources, and activities needed to enable the conduct of the business.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11 INVESTMENT IN SUBSIDIARIES

	Company	
	2025 \$'000	2024 \$'000
Unquoted equity shares, at cost	8,423	4,733
Less: Impairment losses	(3,454)	(3,454)
	4,969	1,279

(a) Composition of the Group

The Group has the following investment in subsidiaries:

Name of subsidiaries	Principal activities	Country of incorporation	Proportion (%) of ownership interest	
			2025 %	2024 %
<u>Held by the Company</u>				
Matex Holdings Pte Ltd ("MHPL") ⁽³⁾	General wholesale trading & dyestuffs manufacturing	Singapore	100	100
Shanghai Matex Chemicals Co., Ltd ("SMC") ⁽²⁾	Sale of dyestuffs	PRC	60	60
Unimatex Sdn Bhd ("USB") ⁽¹⁾	Formulating, manufacturing and sale of dyestuffs, auxiliaries and optical brighteners	Malaysia	100	100
Matex Chemicals Technologies (Shanghai) Co., Ltd ("MTL") ⁽²⁾	General wholesale trading	PRC	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Composition of the Group (Continued)

The Group has the following investment in subsidiaries (Continued):

Name of subsidiaries	Principal activities	Country of incorporation	Proportion (%) of ownership interest	
			2025 %	2024 %
<u>Held through a subsidiary</u> <u>(Matex Holdings Pte. Ltd.)</u>				
Dedot Trading (Shanghai) Co., Ltd ("DTS") ⁽²⁾	Import, export and wholesale of all kinds of garments, textile products and chemical products	PRC	100	100
MatexMega Pte. Ltd. ("MMP") ⁽³⁾	Manufacture and repair of measuring devices, process control equipment and related products	Singapore	65	65
Matex Holdings (HK) Limited ("MHK") ⁽⁴⁾	Wholesale trade of variety of goods without a dominant product	Hong Kong	100	100
<u>Held through a subsidiary</u> <u>(Matex Chemicals Technologies (Shanghai) Co., Ltd ("MTL"))</u>				
Shanghai JingCaiYuan New Materials Co., Ltd. ⁽⁵⁾	Sales of new membrane materials, technology import and export, customs clearance for goods import and export, import and export agency services	PRC	100	–

(1) Audited by Moore Stephens Associates PLT, Malaysia (a member firm of Moore Global Network Limited);

(2) Audited by Shanghai Weihua, Certified Public Accountants in the PRC (2024: Shanghai Zhonghui, Certified Public Accountants in the PRC);

(3) Audited by AccAssurance LLP, Chartered Accountants in Singapore;

(4) Currently dormant entity

(5) Incorporated on 16 December 2025

During the current financial year, the Company has subscribed additional 20,000,000 shares in Matex Chemicals Technologies (Shanghai) Co., Ltd ("MTL") at a par value of RMB1 per share which is equivalent to approximately \$3,690,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Impairment on investment in subsidiaries

Management has performed an impairment assessment for subsidiaries with indicators of impairment based on their estimation of recoverable amount. Due to stringent environmental and safety compliance measures implemented by the government of the PRC in recent years, the production facilities located in China had to undergo retrofitting work by phases. These have disrupted production due to restricted capacity and resulted in low sales and losses recorded by these subsidiaries.

As at 31 December 2025, an impairment loss of S\$3,454,000 (2024: S\$3,454,000) was made on the investment in subsidiaries where the recoverable amount of the equity investments, based on value in use calculation, was projected to be below each Company's cost of investment. Cash flows in the value in use calculation were discounted between 14.0% and 14.5% (2024: 14.4% and 15.1%) per annum.

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

The Group has the following subsidiary that have NCI that are material to the Group.

<u>Name of subsidiary</u>	<u>Principal place of business</u>	<u>Proportion of ownership interest held by non-controlling interest</u>	<u>Loss allocated to NCI during the reporting period</u>	<u>Accumulated NCI at the end of reporting period</u>
<u>31 December 2025:</u>				
Shanghai Matex Chemicals Co., Ltd	PRC	40%	(968)	(2,037)
<u>31 December 2024:</u>				
Shanghai Matex Chemicals Co., Ltd	PRC	40%	(626)	(1,114)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Summarised financial information about subsidiaries with material NCI

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiary with material non-controlling interests are as follows:

Summarised statement of financial position

	Shanghai Matex Chemicals Co., Ltd ("SMC")	
	2025 \$'000	2024 \$'000
Current		
Assets	1,757	2,720
Liabilities	(6,862)	(6,297)
Net current liabilities	(5,105)	(3,577)
Non-current		
Assets	29	928
Liabilities	(16)	(135)
Net non-current assets	13	793
Net liabilities	(5,092)	(2,784)

Summarised statement of comprehensive income

	SMC	
	2025 \$'000	2024 \$'000
Revenue	3,038	3,160
Loss before taxation	(2,421)	(1,566)
Income tax expense	-	-
Loss after tax	(2,421)	(1,566)
Other comprehensive income	-	-
Total comprehensive loss	(2,421)	(1,566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12 INVESTMENT IN AN ASSOCIATE

	Group	
	2025 \$'000	2024 \$'000
Cost of investment	165	225
Share of loss of associate	(91)	(60)
	74	165

The Group, through its wholly owned subsidiary, Matex Chemicals Technologies (Shanghai) Co., Ltd., has incorporated an associate company, Matex YG (Shanghai) Material Tech Ltd. in Shanghai, China on 3 January 2024, with a registered capital of RMB12,000,000, comprising of 2 phases of paid-up capital; 1st phase of 40% had been fully paid up as at 31 December 2024 and 2nd phase of 60% to be paid-up by 31 December 2028. The Group has a 25% shareholding interest in Matex YG (Shanghai) Material Tech Ltd.

The summarised financial information of the Group's significant associate namely Matex YG (Shanghai) Material Tech Ltd., based on its financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements was as follows:

Summarised statement of financial position

	2025 \$'000	2024 \$'000
Current		
Assets	157	507
Liabilities	(20)	(3)
Net current assets	137	504
Non-current		
Assets	157	157
Net assets	294	661
Proportion of Group's ownership	25%	25%
Group's share of net assets	74	165
Carrying amount of the investment	74	165

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12 INVESTMENT IN AN ASSOCIATE (CONTINUED)

Summarised statement of comprehensive income

	2025 \$'000	2024 \$'000
Revenue	4	–
Loss before taxation	(367)	(241)
Income tax expense	–	–
Loss after tax	(367)	(241)
Other comprehensive income	–	–
Total comprehensive loss	<u>(367)</u>	<u>(241)</u>

13 OTHER LONG-TERM INVESTMENTS

	Group and Company	
	2025 \$'000	2024 \$'000
<i>Equity investment measured at fair value through other comprehensive income</i>		
Unquoted equity securities		
– Ucars Pte. Ltd.	–	–
– AR Bioenergy Tech Pte. Ltd.	–	369
	<u>–</u>	<u>369</u>

These investments in unquoted equity securities represented the interest in Ucars Pte. Ltd, a company that is engaged in wholesales of motor vehicles except motorcycles, scooters and internet search engines and AR Bioenergy Tech Pte. Ltd., a company that is engaged in engineering design and consultancy services in energy management and clean energy systems. These investments has been classified as equity investments at FVOCI, which the Group considers to be reflective of the Group's investment policy to hold it for long-term strategic benefits instead of short-term fair value gains.

During the current financial year, a fair value loss of approximately \$369,000 (2024: \$1,065,000) had been recognised in fair value reserve (Note 26).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14 INVENTORIES

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Statement of financial position				
Raw materials	263	361	-	-
Work-in-progress	-	1	-	-
Finished goods	910	1,189	-	-
Total inventories at lower of cost and net realisable value	1,173	1,551	-	-
Statement of comprehensive income:				
Inventories recognised as an expense in cost of sales	4,994	5,537	-	-
Inventories written down charged to the income statement	313	7	-	-
Reversal of inventories written down	-	(6)	-	-

During the previous financial year, the Group had a reversal of inventories written down of S\$6,000 as the net realisable value of certain inventories were above the carrying amounts.

15 TRADE AND NOTES RECEIVABLES

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade receivables				
– Third parties	616	851	-	-
– Amount due from a subsidiary	-	-	452	570
	616	851	452	570
Notes receivables	466	968	-	-
Total trade and notes receivables	1,082	1,819	452	570
Add:				
Other receivables (Note 16)	738	808	10	18
Deposits (Note 16)	40	41	1	1
Amount due from subsidiaries (Note 16)	-	-	45	2,837
Cash and bank balances (Note 17)	8,355	6,154	2,236	3,286
Fixed deposits (Note 17)	-	2,702	-	2,702
Total financial assets carried at amortised cost	10,215	11,524	2,744	9,414

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15 TRADE AND NOTES RECEIVABLES (CONTINUED)

Trade receivables denominated in foreign currencies (other than the respective functional currency of the Group entities) at 31 December are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
United States Dollar	<u>156</u>	<u>192</u>	<u>452</u>	<u>570</u>

The notes receivables are with financial institutions in the PRC which are non-interest bearing and have repayment terms ranging from 1 to 12 months (2024: 1 to 12 months). All note receivables are trade-related.

Expected credit losses

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

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Movement in allowance accounts:	156	192	452	570
At 1 January	2,189	2,265	600	600
Charge for the year	151	–	–	–
Written-back	(10)	–	–	–
Written-off allowance made	(887)	–	(14)	–
Exchange differences	(195)	(76)	–	–
At 31 December	<u>1,248</u>	<u>2,189</u>	<u>586</u>	<u>600</u>

16 OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Other receivables	–	–	–	–
Deposits	40	41	1	1
Tax recoverable	11	33	–	–
Amounts due from subsidiaries	–	–	45	2,837
	<u>789</u>	<u>882</u>	<u>56</u>	<u>2,856</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16 OTHER RECEIVABLES AND DEPOSITS (CONTINUED)

Expected credit losses

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

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Movement in allowance accounts:				
At 1 January	-	-	-	-
Charge for the year	910	-	-	-
At 31 December	910	-	-	-

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

17 CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash at banks and on hand	8,355	6,154	2,236	3,286
Fixed deposits	-	2,702	-	2,702
	8,355	8,856	2,236	5,988

Cash at bank earned interest at rates based on daily bank deposit rates ranging from 0.05% to 0.25% (2024: 0.05% to 0.25%) per annum.

Fixed deposits were placed with financial institutions for varying periods of between 1 month to 3 months depending on the immediate cash requirements of the Group. The fixed deposits earned interest at fixed deposit rates ranging from 0.25% to 4.18% (2024: 0.25% to 5.20%) per annum.

Cash and cash equivalents denominated in currencies (other than the respective functional currency of the Group entities) at 31 December are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
United States Dollar	1,837	5,783	1,509	5,664

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18 TRADE PAYABLES

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade payables	998	1,278	–	–
Add:				
Other payables and accruals* (Note 19)	4,879	4,404	897	386
Lease liabilities (Note 10)	37	431	–	101
Term loans (Note 20)	1,832	1,060	–	–
Less:				
Provision for unutilised leave	(32)	(37)	(22)	(22)
Total financial liabilities at amortised cost	<u>7,714</u>	<u>7,136</u>	<u>875</u>	<u>465</u>

* including non-current amounts

Trade payables are non-interest bearing and are normally settled on 30 to 90 days' terms.

Trade payables denominated in currencies (other than the respective functional currency of the Group entities) at 31 December are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
United States Dollar	<u>217</u>	<u>170</u>	<u>–</u>	<u>–</u>

19 OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Other payables	3,719	4,052	139	159
Accrued operating expenses	170	161	133	140
Accrued payroll related expenses	990	191	625	87
	<u>4,879</u>	<u>4,404</u>	<u>897</u>	<u>386</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19 OTHER PAYABLES AND ACCRUALS (CONTINUED)

Other payables and accruals are presented as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Current liabilities	4,865	4,390	897	386
Non-current liabilities	14	14	-	-
	4,879	4,404	897	386

Other payables are non-interest bearing and are generally settled on 30 to 90 days' terms.

Other payables comprise mainly dividend payable to minority interest shareholder of \$2,473,000 (2024: \$2,537,000).

20 TERM LOANS

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
SGD loan	-	247	-	-
Chinese Renminbi ("RMB") loans	1,832	813	-	-
	1,832	1,060	-	-

The term loans are presented as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Current	1,832	1,060	-	-

SGD loan: The temporary bridging loan of \$2,000,000 has an interest rate of 2.50%. The \$2,000,000 loan is repayable over 5 years and is secured by corporate guarantee provided by the Company. The loan had been fully settled in current financial year.

RMB loans: These loans are drawn down by subsidiaries in the PRC. They are repayable within 12 months from the date of draw down but can be rolled over at the bank's discretion. These loans are due between March 2026 and September 2026. Other than RMB2,000,000 (\$424,000) loan which is at an interest rate of 20 basis point below bank's prime rate, the other RMB loan bear the same rate as the bank's prime rate. The loans are secured by corporate guarantee provided by the Company and joint and several guarantees of the directors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

20 TERM LOANS (CONTINUED)

A reconciliation of liabilities arising from financing activities is as follows:

	1 January 2025 \$'000	Net cash flows \$'000	Addition/ (write-off) S\$'000	Non-cash changes			31 December 2025 \$'000
				Accretion of interest for lease liabilities \$'000	Foreign exchange movement \$'000	Others \$'000	
Term loans	1,060	(1,029)	1,832	–	(31)	–	1,832
Lease liabilities (Note 10)							
– current	205	(242)	(160)	26	(18)	204	15
– non-current	226	–	–	–	–	(204)	22
Total	<u>1,491</u>	<u>(1,271)</u>	<u>1,672</u>	<u>26</u>	<u>(49)</u>	<u>–</u>	<u>1,869</u>

	1 January 2024 \$'000	Net cash flows \$'000	Addition/ (write-off) S\$'000	Non-cash changes			31 December 2024 \$'000
				Accretion of interest for lease liabilities \$'000	Foreign exchange movement \$'000	Others \$'000	
Term loans	2,335	(1,294)	–	–	19	–	1,060
Lease liabilities (Note 10)							
– current	615	(582)	114	26	(58)	90	205
– non-current	253	–	64	–	(1)	(90)	226
Total	<u>3,203</u>	<u>(1,876)</u>	<u>178</u>	<u>26</u>	<u>(40)</u>	<u>–</u>	<u>1,491</u>

The 'other' column relates to reclassification of non-current portion of lease liabilities to current.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21 DEFERRED TAX

Deferred tax liabilities as at 31 December relate to the following:

	Group	
	2025 \$'000	2024 \$'000
Undistributed earnings of subsidiaries	<u>63</u>	<u>76</u>

An analysis of the deferred tax liabilities is as follows:

	Group	
	2025 \$'000	2024 \$'000
At 1 January	76	66
Movement in deferred taxes:		
– current financial year	<u>(13)</u>	<u>10</u>
At 31 December	<u>63</u>	<u>76</u>

Unrecognised tax losses and deductible temporary differences

The Group has unutilised tax losses and deductible temporary differences of approximately \$45,150,000 (2024: \$39,741,000) and \$196,000 (2024: \$196,000) respectively and the Company has unutilised tax losses of \$23,083,000 (2024: \$22,856,000) that are available for offset against future taxable incomes of the entities in which the tax losses arose, for which no deferred tax asset was recognised due to uncertainty of its recoverability. The use of these tax losses and deductible temporary differences are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the entities operate. The tax losses have no expiry date except for the tax losses from the PRC as shown below.

Year incurred	Expiry date	Unrecognised tax losses \$'000
2021	31 December 2026	2,419
2022	31 December 2027	2,302
2023	31 December 2028	2,149
2024	31 December 2029	1,566
2025	31 December 2030	3,129

The unabsorbed tax losses from the PRC which expired during the current year was \$1,817,000 (2024: \$2,545,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21 DEFERRED TAX (CONTINUED)

Temporary differences relating to investments in subsidiaries

At the end of the reporting period, \$63,000 (2024: \$76,000) of deferred tax liabilities have been recognised for taxes that would be payable on the undistributed earnings of the Group's subsidiaries.

22 SHARE CAPITAL

	Group and Company			
	2025		2024	
	Number of shares '000	\$'000	Number of shares '000	\$'000
Issued and fully paid ordinary shares:				
At beginning of the year	361,698	25,853	361,698	25,853
Issue of ordinary shares	154,000	4,158	–	–
At end of the year	515,698	30,011	361,698	25,853

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

23 CAPITAL RESERVE

This pertains to a non-distributable capital income arising from the restructuring of subsidiary companies in prior years.

24 ENTERPRISE EXPANSION AND GENERAL RESERVE

This pertains to a general reserve fund and an enterprise expansion reserve fund set up by the Group's subsidiaries in the PRC, in accordance with local laws and regulations, by way of appropriation from their net profit at a rate determined by the companies. The respective board of directors of the subsidiaries have decided that 20% of the profit after taxation be appropriated each year, of which 10% be appropriated to the general reserve fund and 10% be appropriated to the enterprise expansion reserve fund.

The general reserve and the enterprise expansion reserve may be used to offset accumulated losses or increase the registered capital of the subsidiaries, subject to approval from the authorities of the PRC. The reserves are not available for dividend distribution to the shareholders.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

25 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 that of the Group's presentation currency.

26 FAIR VALUE RESERVE

The fair value reserve represents the cumulative fair value changes, net of tax, of long-term unquoted equity securities carried at fair value through other comprehensive income.

27 Loss per Share

Loss per share is calculated by dividing the net losses attributable to owners of the Company of \$6,771,000 (2024: \$2,654,000) by the weighted average number of ordinary shares outstanding during the year of 503,884,454 (2024: 361,698,153) shares.

Diluted earnings per share is the same as basic earnings per share as there were no dilutive potential ordinary shares as at 31 December 2025 and 2024.

28 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year by the Group other than the compensation of key management personnel below.

Compensation of key management personnel

	Group	
	2025	2024
	\$'000	\$'000
Short-term employee benefits	1,564	895
Defined contribution plans	38	52
Other short-term benefits	26	78
	<u>1,628</u>	<u>1,025</u>
Comprise amounts paid to:		
– Directors of the Company	1,371	690
– Other key management personnel	257	335
	<u>1,628</u>	<u>1,025</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29 SEGMENT INFORMATION

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment information is presented in respect of the Group's geographical segments only as it is not meaningful to present segmental reporting by business segments since revenue of the Group is primarily derived from the manufacture and sale of dyestuffs, auxiliaries and textile chemical products.

Inter-segment pricing is determined on an arm's length basis. The Group's operating businesses are organised and managed separately by geographical segments based on location of assets. Revenue, assets and additions to property, plant and equipment are based on the location of those assets.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total costs incurred during the financial year to acquire segment assets that are expected to be used for more than one year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29 SEGMENT INFORMATION (CONTINUED)

	PRC		Other Asia Pacific Countries				Elimination		Note	Group	
	2025	2024	2025	2024	2025	2024	2025	2024		2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue											
External customers	4,304	4,785	1,555	2,217	–	–	–	–		5,859	7,002
Inter-segment	2,078	3,068	1	60	(2,079)	(3,128)		A		–	–
Total revenue	6,382	7,853	1,556	2,277	5,859	7,002				5,859	7,002
Results											
Cost of sales	(6,714)	(7,016)	(1,099)	(1,651)	2,819	3,130		B		(4,994)	(5,537)
Interest income	4	11	85	274	–	–				89	285
Depreciation and amortisation	(69)	(449)	(155)	(226)	–	–				(224)	(675)
Interest expense	(46)	(27)	(25)	(24)	–	–				(71)	(51)
Other non-cash expenses	(109)	(10)	(43)	(7)	–	–			C	(152)	(17)
Segment loss	(3,129)	(1,355)	(4,613)	(1,928)	1	7		D		(7,741)	(3,276)
Income tax expense	(5)	(13)	–	–	–	–				(5)	(13)
Assets											
Additions to non-current assets	78	722	17	1,547	–	–		E		95	2,269
Segment assets	11,915	9,693	10,017	13,823	(10,084)	(8,272)		F		11,848	15,244
Segment liabilities	11,389	9,754	6,100	4,920	(9,674)	(7,389)		G		7,815	7,285

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29 SEGMENT INFORMATION (CONTINUED)

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

A Inter-segment revenues are eliminated on consolidation.

B Inter-segment cost of sales are eliminated on consolidation.

C Other non-cash expenses consist of gain on disposal of plant and equipment and inventories written down/(written back) as presented in the respective notes to the financial statements.

D The following items are added to segment loss to arrive at "loss before taxation" presented in the consolidated statement of comprehensive income:

	2025 \$'000	2024 \$'000
Loss from inter-segment sales	1	7

E Additions to non-current assets consist of additions to property, plant and equipment, right-of-use assets, other long-term investments and investment in an associate.

F The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2025 \$'000	2024 \$'000
Inter-segment assets	(5,062)	(1,389)
Intercompany balances	(5,022)	(6,883)
	<u>(10,084)</u>	<u>(8,272)</u>

G The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2025 \$'000	2024 \$'000
Inter-segment liabilities	64	76
Intercompany balances	(9,738)	(7,465)
	<u>(9,674)</u>	<u>(7,389)</u>

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The board of directors reviews and agrees on policies for managing each of these risks and they are summarised below. It is, and has been, throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risks arises primarily from trade receivables. For other financial assets (including cash and cash equivalents and notes receivables), the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

It is the Group's and the Company's policy to provide credit terms to creditworthy customers where credit terms granted are usually due within 30 to 90 days from the date of billing. Receivable balances are monitored on an ongoing basis. The Group has strict credit policy for new customers by requesting for 20% to 30% of the contractual sum as advance payment for PRC customers. The Group and the Company do not expect to incur material credit losses except as provided for in the financial statements.

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

The Group and the Company have determined the default event on a financial asset to be when the counterparty fails to make contractual payments, after a year they fall due for customers located in the PRC and after 180 days for customers located in Asia Pacific, which are derived based on the Group's and the Company's historical information.

The Group and the Company consider available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and the Company and changes in the operating results of the borrower.

Regardless of the analysis above, a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

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

The Group and the Company categorise a receivable for potential write-off when a debtor fails to make contractual payments more than a year past due. It is a common practice in the Group's industry for payments to be made 3 to 12 months after the offered credit term, particularly for PRC, where it is common for debtors to make payment after the due date. Financial assets are potentially written off after 5 years when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables have been written off, the Group and the Company continue to engage enforcement activity such as sending demand or lawyer letters to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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

Trade receivables

The Group and the Company provide for lifetime expected credit losses for its trade receivables using a provision matrix. The provision rates are determined based on Group's historical credit loss experience, that is taking 10 years average of impairment made during the year over the net trade receivables as at each year end. Information regarding loss allowance movement of trade receivables is disclosed in Note 15 to the financial statements. The expected credit losses also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

Trade receivables (Continued)

PRC:

	Current \$'000	Less than 3 months due \$'000	3 months to 6 months due \$'000	6 to 12 months due \$'000	More than 12 months due \$'000	Total \$'000
<u>At 31 December 2025</u>						
Gross carrying amount	190	189	–	–	1,182	1,561
Loss allowance provision	–	(63)	–	–	(1,182)	(1,245)
Net carrying amount	<u>190</u>	<u>126</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>316</u>

Other Asia Pacific:

	Current \$'000	Less than 3 months due \$'000	3 months to 6 months due \$'000	6 to 12 months due \$'000	More than 12 months due \$'000	Total \$'000
<u>At 31 December 2025</u>						
Gross carrying amount	210	88	4	1	–	303
Loss allowance provision	–	–	(2)	(1)	–	(3)
Net carrying amount	<u>210</u>	<u>88</u>	<u>2</u>	<u>–</u>	<u>–</u>	<u>300</u>

PRC:

	Current \$'000	Less than 3 months due \$'000	3 months to 6 months due \$'000	6 to 12 months due \$'000	More than 12 months due \$'000	Total \$'000
<u>At 31 December 2024</u>						
Gross carrying amount	304	4	4	–	2,239	2,551
Loss allowance provision	–	–	–	–	(2,180)	(2,180)
Net carrying amount	<u>304</u>	<u>4</u>	<u>4</u>	<u>–</u>	<u>59</u>	<u>371</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

Trade receivables (Continued)

Other Asia Pacific:

	Current \$'000	Less than 3 months due \$'000	3 months to 6 months due \$'000	6 to 12 months due \$'000	More than 12 months due \$'000	Total \$'000
At 31 December 2024						
Gross carrying amount	322	131	–	36	–	489
Loss allowance provision	–	(9)	–	–	–	(9)
Net carrying amount	<u>322</u>	<u>122</u>	<u>–</u>	<u>36</u>	<u>–</u>	<u>480</u>

Notes receivables

Management monitors and assess at each reporting date on any indicator of significant increase in credit risk for the notes receivables (Note 15). In the assessment for indicators, management took into account information that are available internally about these counterparties and if the entities had defaulted in their debts. Management has determined that the credit risk for these assets has not increased significantly since their initial recognition, and is subject to immaterial credit loss

Excessive risk concentration

Concentration arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. One way is to increase its market shares outside PRC.

There is no credit risk concentration other than those described below.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

Credit risk concentration profile

Group

The Group determines concentrations of credit risk by monitoring the geographical profile of its trade receivables on an on-going basis. The Group provides expected credit loss for its trade receivables. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2025		2024	
	<u>\$'000</u>	<u>% of total</u>	<u>\$'000</u>	<u>% of total</u>
By geographical region:				
PRC	316	51	371	44
Other Asia Pacific countries	300	49	480	56
	<u>616</u>	<u>100</u>	<u>851</u>	<u>100</u>

Company

At the end of the reporting period, approximately 100% (2024: 100%) of the Company's trade and other receivables were balances with subsidiaries.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, finance lease and stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with few different banks.

The Group monitors its liquidity risk and maintains adequate level of cash and cash equivalents to finance the Group's operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) *Liquidity risk* (Continued)

Analysis of financial instruments by remaining contractual maturities

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

	One year or less \$'000	One to five years \$'000	Total \$'000
Group			
<u>2025</u>			
Financial assets:			
Trade, notes and other receivables	1,860	–	1,860
Cash and bank balances	8,355	–	8,355
Total undiscounted financial assets	<u>10,215</u>	<u>–</u>	<u>10,215</u>
Financial liabilities:			
Trade and other payables	5,877	–	5,877
Lease liabilities	15	23	38
Term loans	1,880	–	1,880
Total undiscounted financial liabilities	<u>7,772</u>	<u>23</u>	<u>7,795</u>
Total net undiscounted financial assets/(liabilities)	<u>2,443</u>	<u>(23)</u>	<u>2,420</u>
<u>2024</u>			
Financial assets:			
Trade, notes and other receivables	2,668	–	2,668
Cash and bank balances	6,154	–	6,154
Fixed deposits	2,702	–	2,702
Total undiscounted financial assets	<u>11,524</u>	<u>–</u>	<u>11,524</u>
Financial liabilities:			
Trade and other payables	5,682	–	5,682
Lease liabilities	216	245	461
Term loans	1,074	–	1,074
Total undiscounted financial liabilities	<u>6,972</u>	<u>245</u>	<u>7,217</u>
Total net undiscounted financial assets/(liabilities)	<u>4,552</u>	<u>(245)</u>	<u>4,307</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) *Liquidity risk* (Continued)

	One year or less \$'000	One to five years \$'000	Total \$'000
Company			
<u>2025</u>			
<u>Financial assets:</u>			
Trade and other receivables	508	–	508
Cash and bank balances	2,236	–	2,236
Total undiscounted financial assets	2,744	–	2,744
<u>Financial liabilities:</u>			
Trade and other payables	897	–	897
Total undiscounted financial liabilities	897	–	897
Total net undiscounted financial assets	1,847	–	1,847
<u>2024</u>			
<u>Financial assets:</u>			
Trade and other receivables	3,426	–	3,426
Cash and bank balances	3,286	–	3,286
Fixed deposits	2,702	–	2,702
Total undiscounted financial assets	9,414	–	9,414
<u>Financial liabilities:</u>			
Trade and other payables	386	–	386
Lease liabilities	22	99	121
Total undiscounted financial liabilities	408	99	507
Total net undiscounted financial assets/(liabilities)	9,006	(99)	8,907

(c) *Foreign currency risk*

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily USD. These give rise to foreign currency risk. However, the Group tries to match the timing of its receipts and payments in the same foreign currency in an effort to reduce foreign currency risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) *Foreign currency risk (Continued)*

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss before taxation with a reasonably possible change in the USD against the respective functional currencies of the Group's entities, with all other variables held constant.

	Group	
	2025	2024
	(Decrease)/Increase	
	Loss before tax	Loss before tax
	\$'000	\$'000
	<u> </u>	<u> </u>
USD/SGD – strengthened 3% (2024: 3%)	(53)	(145)
– weakened 3% (2024: 3%)	<u>53</u>	<u>145</u>

31 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Fair value of financial instruments that are carried at fair value

	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Group				
<u>31.12.2025</u>				
Unquoted equity securities (Note 13)	–	–	–	–
<u>31.12.2024</u>				
Unquoted equity securities (Note 13)	–	–	369	369

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of financial instruments that are carried at fair value (Continued)

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

There has been no transfer of financial instruments between Level 1 and Level 2 during the financial years ended 31 December 2025 and 31 December 2024.

The fair value of the unquoted equity securities are based on the net assets value (2024: net assets value).

Assets and liabilities that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of current trade and notes receivables, other receivables and deposits, cash and cash equivalents, trade and other payables, current lease liabilities and term loans approximate their respective fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of non-current other payables and lease liabilities approximate fair value, which were determined and estimated by discounting future cash flows at market incremental interest rate for similar type of borrowings or leasing arrangement at the reporting date.

32 CAPITAL COMMITMENT

Capital expenditure contracted for as at the end of reporting period but not recognised in the financial statements is as follows:

	2025 \$'000	2024 \$'000
Commitments in respect of property, plant and equipment	–	4,864

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

33 CAPITAL MANAGEMENT

Capital includes debt and equity items as disclosed in the table below.

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 the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024.

As disclosed in Note 24 to the financial statements, subsidiaries in the PRC are required to contribute and maintain non-distributable general and enterprise expansion reserve fund, whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiaries for the financial years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using gearing ratio. The Group's debt includes loans and lease liabilities. Total equity includes all share capital and reserves of the Group.

	Group	
	2025 \$'000	2024 \$'000
Debts	1,869	1,491
Cash and bank balances	(8,355)	(8,856)
Net cash	(6,486)	(7,365)
Total equity	4,033	7,959
Gearing ratio	N.M.	N.M.

N.M. – Not meaningful

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

34 EVENTS OCCURRING AFTER THE REPORTING PERIOD

- a) On 15 January 2026, the Company settled the cessation payments of \$462,000 and \$109,000 (Cessation payment of \$216,000 offset with company vehicle valued at \$107,000) to Dr Tan Pang Kee and Mr Tan Guan Liang respectively.
- b) On 23 January 2026, the Company announced its entry into a subscription agreement (the "Subscription Agreement") with Ascentas Capital Management Limited and Li Baohua (each a "Subscriber" and collectively, the "Subscribers"), pursuant to which the Subscribers have committed to provide funds of an aggregate of \$4,158,000 to the Company by subscribing for convertible notes, and the Company has agreed to issue to the Subscribers \$4,158,000 in aggregate principal amount of unsecured convertible notes, convertible in whole or in part into fully-paid ordinary shares in the capital of the Company at the conversion price, subject to adjustments in accordance with the terms of the Subscription Agreement.
- c) On 26 January 2026, the Company had been successfully changed from "Matex International Limited" to "Nanyang New Development Limited" with immediate effect.
- d) On 6 February 2026, the Company announced its entry into an investment and shareholders' agreement (the "Agreement") with Gold Bar Pte. Ltd. ("GBPL"), Gong Hanxian, Tony Soh Tze Shen and Wiley Partners Pte. Ltd. for the investment into GBPL through the allotment and issuance of new ordinary shares in the capital of GBPL ("Share Subscription"). Pursuant to the Share Subscription, the Company will hold 110,000 ordinary shares in the capital of GBPL, representing 55% of the total enlarged issued and paid-up share capital of GBPL, and GBPL will become a subsidiary of the Company upon completion of the Share Subscription.
- e) On 2 April 2026, the Company announced the Termination of Investment and Shareholders' Agreement with GBPL, Gong Hanxian, Tony Soh Tze Shen and Wiley Partners Pte. Ltd. The Company wishes to update shareholders that, subsequent to the entry into the Agreement, the Company is unable to agree to the change in business direction of GBPL that the other subscribers under the Agreement have proposed. After further discussions, the parties to the Agreement have mutually agreed not to proceed with the Share Subscription and to terminate the Agreement. Accordingly, the parties to the Agreement have, on 1 April 2026, entered into a deed to terminate the Agreement with no further obligations and liabilities, among others, to each other under or pursuant to the Share Subscription and/or the Agreement.

STATISTICS OF SHAREHOLDINGS

AS AT 31 March 2026

Class of Shares	:	Ordinary shares
No. of Shares (excluding treasury shares and subsidiary holdings)	:	515,698,153
Voting Rights	:	One vote per share
No. of Treasury Shares and percentage	:	Nil
Number of Subsidiary Holdings and percentage	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS		NO. OF SHARES	
		%		%
1 – 99	39	4.24	380	0.00
100 – 1,000	92	10.01	86,600	0.02
1,001 – 10,000	251	27.31	1,474,900	0.29
10,001 – 1,000,000	499	54.30	71,123,968	13.79
1,000,001 AND ABOVE	38	4.14	443,012,305	85.90
TOTAL	919	100.00	515,698,153	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	NANYANG COMMERCIAL MANAGEMENT PTE. LTD.	154,000,000	29.86
2	TAN PANG KEE	87,972,630	17.06
3	CSF FUND I PTE LTD	50,000,000	9.70
4	DBS NOMINEES PTE LTD	21,176,800	4.11
5	RAFFLES NOMINEES (PTE) LIMITED	14,575,580	2.83
6	PHILLIP SECURITIES PTE LTD	13,226,320	2.56
7	GOH GUAN SIONG (WU YUANXIANG)	11,514,000	2.23
8	ABN AMRO CLEARING BANK N.V.	11,212,700	2.17
9	TAN TEAK BING (CHEN ZEMIN)	8,337,582	1.62
10	LEE KANG HUAT	8,000,000	1.55
11	SIM TECK HUAT	7,800,000	1.51
12	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	6,625,810	1.28
13	BENEDICT NICHOLAS CHONG WEI LIANG	3,500,300	0.68
14	TAN CHAI CHIN	3,370,688	0.65
15	LIM CHIN HOCK	3,000,000	0.58
16	TAN GUAN YU, DARREL	2,810,500	0.54
17	LOH POH LIM	2,683,400	0.52
18	EST OF TAN YAM SOON, DEC'D	2,586,332	0.50
19	LIM AND TAN SECURITIES PTE LTD	2,290,300	0.44
20	ONG SWEE WHATT	2,189,900	0.42
	TOTAL	416,872,842	80.81

STATISTICS OF SHAREHOLDINGS

AS AT 31 March 2026

SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2026

(as recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Nanyang Commercial Management Pte. Ltd.	154,000,000	29.86%	–	–
Tan Pang Kee	87,972,630	17.06%	–	–
CSF Fund I Pte. Ltd.	50,000,000	9.70%	–	–
Wang Weidong	–	–	154,000,000 ^{Note 1}	29.86%
Yeo Hock Huat	–	–	50,000,000 ^{Note 2}	9.70%

Notes:

1. Mr Wang Weidong is deemed to be interested in the shares of the Company held by Nanyang Commercial Management Pte. Ltd.
2. Mr Yeo Hock Huat is deemed to be interested in the shares of the Company held by CSF Fund I Pte. Ltd.

PERCENTAGE OF SHAREHOLDINGS HELD IN PUBLIC'S HANDS

As at 31 March 2026, 43.18% of the Company's shares are held in the hand of public. Accordingly, the Company complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited which requires at least 10% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed to be in the hand of the public.

NOTICE OF 36TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company ("**AGM**" or "**Meeting**") will be held at 1003 Bukit Merah Central, #01-10, Inno Centre, Singapore 159836 on Thursday, 30 April 2026 at 10:00 a.m. (Singapore Time) for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolutions as set out below:

Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2025 and the Independent Auditor's Report thereon. **[Resolution 1]**

2. To re-elect the following Directors who are retiring in accordance with Regulation 86 of the Company's Constitution, and who, being eligible, offer themselves for re-election, as a Director of the Company.
 - (a) Mr. James Kho Chung Wah **[Resolution 2]**

 - (b) Dr. Liu Shen **[Resolution 3]**

 - (c) Dr. Fu Shaohai **[Resolution 4]**

[See Explanatory Note (1)]

3. To note the retirement of Mr. Chng Hee Kok, a Director of the Company who is retiring pursuant to Regulation 86 of the Company's Constitution and would not be seeking for re-election.

4. To approve a sum of up to S\$160,000 as directors' fees for the financial year ending 31 December 2026, to be paid quarterly in arrears. (2025: up to S\$184,400) **[Resolution 5]**

5. To re-appoint Messrs Moore Stephens LLP as auditors and to authorise the Directors to fix their remuneration. **[Resolution 6]**

6. To transact any other business that may be properly transacted at an AGM.

Special Business

7. To consider and if thought fit, to pass the following resolution as ordinary resolution, with or without modification:-

Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act 1967 of Singapore and Rule 806 of the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST")

NOTICE OF 36TH ANNUAL GENERAL MEETING

That pursuant to Section 161 of the Companies Act 1967 of Singapore and Rule 806 of the Catalist Rules, the Directors of the Company be authorised and empowered to:

- (a) (i) allot and 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 pursuant to any Instruments made or granted by the Directors of the Company while this Resolution was in force,

(the "**Share Issue Mandate**") provided that:

- (1) the aggregate number of Shares (including Shares to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued (including Shares to be issued pursuant to the Instruments) other than on a *pro-rata* basis to existing shareholders of the Company shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and that may be issued under sub-paragraph (1) above, the total number of issued Shares 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 of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution provided the options or awards were granted in compliance with the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

NOTICE OF 36TH ANNUAL GENERAL MEETING

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

- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules 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, the Share Issue Mandate shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law and the Catalist Rules 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 (2)]

[Resolution 7]

By Order of the Board

Dr. Liu Shen
Executive Director
15 April 2026

Explanatory Notes:

- Mr. James Kho Chung Wah is an Independent Director and he will, upon re-election as a Director of the Company, remain as an Independent Chairman, Chairman of Audit Committee and member of the Nominating Committee and Remuneration Committee. He will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

Dr. Liu Shen is an Executive Director and he will, upon re-election as a Director of the Company, remain as an Executive Director and Chief Technical Officer of the Company.

Mr. Fu Shaohai is an Independent Director and he will, upon re-election as a Director of the Company, remain as an Independent Director, Chairman of Remuneration Committee and member of the Audit Committee and Nominating Committee. He will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

Further detailed information (including information as required pursuant to Rule 720(5) of the Catalist Rules) of the aforementioned Directors of the Company can be found in the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Annual Report.

- The **Ordinary Resolution 7**, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a *pro-rata* basis to existing shareholders of the Company.

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

NOTICE OF 36TH ANNUAL GENERAL MEETING

Notes relating to conduct of Meeting

1. The members of the Company are invited to **attend physically** at the AGM. **There will be no option for the members to participate virtually.**
2. This Notice of AGM, Proxy Form, Request Form (to request for printed copy of the Annual Report), and the Annual Report will be sent to members by electronic means via publication on SGXNet at the URL: <https://www.sgx.com/securities/company-announcements>.
3. Printed copies of this Notice of AGM, Proxy Form, and Request Form, will also be sent by post to members. No printed copy of the Annual Report will be sent. Members who wish to receive a printed copy of the Annual Report are required to complete the Request Form and return it to the Company by 22 April 2026 via post or email to hkseow@matex.com.sg.
4. Please bring along your NRIC/passport to the AGM so as to enable the Company to verify your identity.

Voting by proxy

5. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.
6. A proxy need not to be a member of the Company.
7. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) 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 are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) (other than the appointment of the Chairman of the Meeting as the proxy) will vote or abstain from voting at his/her/their discretion.
8. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 of Singapore or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
9. The instrument appointing a proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either:
 - (a) if send personally or by post, the proxy form must be lodged at the Company's registered office at 1003 Bukit Merah Central, #01-10, Inno Centre, Singapore 159836; or
 - (b) if by email, the proxy form must be received at hkseow@matex.com.sg,

in either case, **by no later than 27 April 2026, 10:00 a.m., being seventy-two (72) hours before the time appointed for holding the Meeting.**

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

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

The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

10. (a) A member who is not a relevant intermediary* is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

NOTICE OF 36TH ANNUAL GENERAL MEETING

- (b) A member who is a relevant intermediary* is entitled to appoint more than two (2) proxies to attend, speak 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 (2) 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 1967 of Singapore.

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
11. An investor who holds shares under the Supplementary Retirement Scheme (“**SRS Investor**”) may attend and cast his vote(s) at the Meeting in person. If they are unable to attend the Meeting but would like to vote, they may inform their respective SRS Operators to appoint the Chairman of the Meeting to act as their proxy at least seven (7) working days before the Meeting, in which case, the relevant SRS Investors shall be precluded from attending the Meeting.
12. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument.

Submission of questions prior to the AGM

13. Shareholders may submit questions relating to the resolutions to be tabled for approval at the AGM or in advance of the AGM no later than 10:00 a.m. on 22 April 2026:
- (a) by email to hkseow@matex.com.sg; or
- (b) in physical copy by depositing the same at the registered office of the Company at 1003 Bukit Merah Central, #01-10, Inno Centre, Singapore 159836.

Shareholders submitting questions are required to state: (a) their full name; (b) their identification/registration number, and (c) the manner in which his/her/its shares in the Company are held (e.g. via CDP, CPF, SRS and/or scrip), failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.

All questions submitted in advance of the AGM must be received by the Company by the time and date stated above to be treated as valid.

14. The Company will endeavour to address all relevant and substantial questions (as may be determined by the Company in its sole discretion) relating to the resolutions to be tabled and for approval at the AGM prior to or at the AGM. The responses to these questions will be published by no later than 10:00 a.m. on 25 April 2026 via SGXNet and the Company’s website or if answered during the AGM, will be included in the minutes of the AGM which shall be published on the SGXNet and the Company’s website within one month after the date of AGM.

NOTICE OF 36TH ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY

By (a) attending, speaking or voting at the AGM and/or adjournment thereof; (b) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof; or (c) submitting any questions prior to, or at, the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines and (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This notice has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**").

This notice has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Ms. Goh Mei Xian, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

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NANYANG NEW DEVELOPMENT LIMITED

(formerly known as Matex International Limited)

(Company Registration No. 198904222M)

(Incorporated In the Republic of Singapore)

PROXY FORM ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) may appoint more than two (2) proxies to attend, speak and vote at the AGM.
2. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") may attend and cast his vote(s) at the Meeting in person. If they are unable to attend the Meeting but would like to vote, they may inform their respective SRS Operators to appoint the Chairman of the Meeting to act as their proxy at least seven (7) working days before the Meeting, in which case, the relevant SRS Investors shall be precluded from attending the Meeting.
3. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 April 2026.

I/We*, _____ (Name)

NRIC No./Passport No./Company Registration No.* _____

of _____ (Address)

being a member/members* of NANYANG NEW DEVELOPMENT LIMITED ("Company"), hereby appoint:

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

and/or (delete as appropriate)

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

or failing him/her/them*, the Chairman of the Annual General Meeting ("AGM" or the "Meeting"), as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the Meeting of the Company to be held at 1003 Bukit Merah Central, #01-10, Inno Centre, Singapore 159836 on Thursday, 30 April 2026 at 10:00 a.m. (Singapore Time), and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against, or abstain from voting, the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion. In appointing the Chairman of the Meeting as proxy, Shareholders (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

No.	Resolutions relating to:	No. of Votes 'For'***	No. of Votes 'Against'***	No. of Votes 'Abstain'***
Ordinary Business:-				
1	To receive and adopt the Audited Financial Statements and the Directors' Statement of the Company for the financial year ended 31 December 2025 together with the Independent Auditor's Report thereon.			
2	To re-elect Mr. James Kho Chung Wah as a Director.			
3	To re-elect Dr. Liu Shen as a Director.			
4	To re-elect Dr. Fu Shaohai as a Director.			
5	Approval of Directors' fees of up to S\$160,000 for the financial year ending 31 December 2026, to be paid quarterly in arrears.			
6	To re-appoint Moore Stephens LLP as auditors of the Company and to authorise the Directors to fix their remuneration.			
Special Business:-				
7	Authority to allot and issue shares.			

* Delete where inapplicable

** If you wish to exercise all your votes 'For', 'Against' or 'Abstain from Voting', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this _____ day of _____ 2026

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

Signature(s) of Shareholder(s) and/or, Common
Seal of Corporate Shareholder



IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.
2. A proxy need not be a member of the Company.
3. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
4. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) 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 are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion. In appointing the Chairman of the Meeting as proxy, Shareholders (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 of Singapore or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
6. The instrument appointing a proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either:
 - (a) if send personally or by post, the proxy form must be lodged at the Company's registered office at 1003 Bukit Merah Central, #01-10, Inno Centre, Singapore 159836; or
 - (b) if by email, the proxy form must be received at hkseow@matex.com.sg,

in either case, **by no later than 27 April 2026, 10:00 a.m., being seventy-two (72) hours before the time appointed for holding the Meeting.**

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

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

The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

7.
 - (a) A member who is not a relevant intermediary* is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.
 - (b) A member who is a relevant intermediary* is entitled to appoint more than two (2) proxies to attend, speak 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 (2) 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 1967 of Singapore.

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
8. SRS Investor may attend and cast his vote(s) at the Meeting in person. If they are unable to attend the Meeting but would like to vote, they may inform their respective SRS Operators to appoint the Chairman of the Meeting to act as their proxy at least seven (7) working days before the Meeting, in which case, the relevant SRS Investors shall be precluded from attending the Meeting.

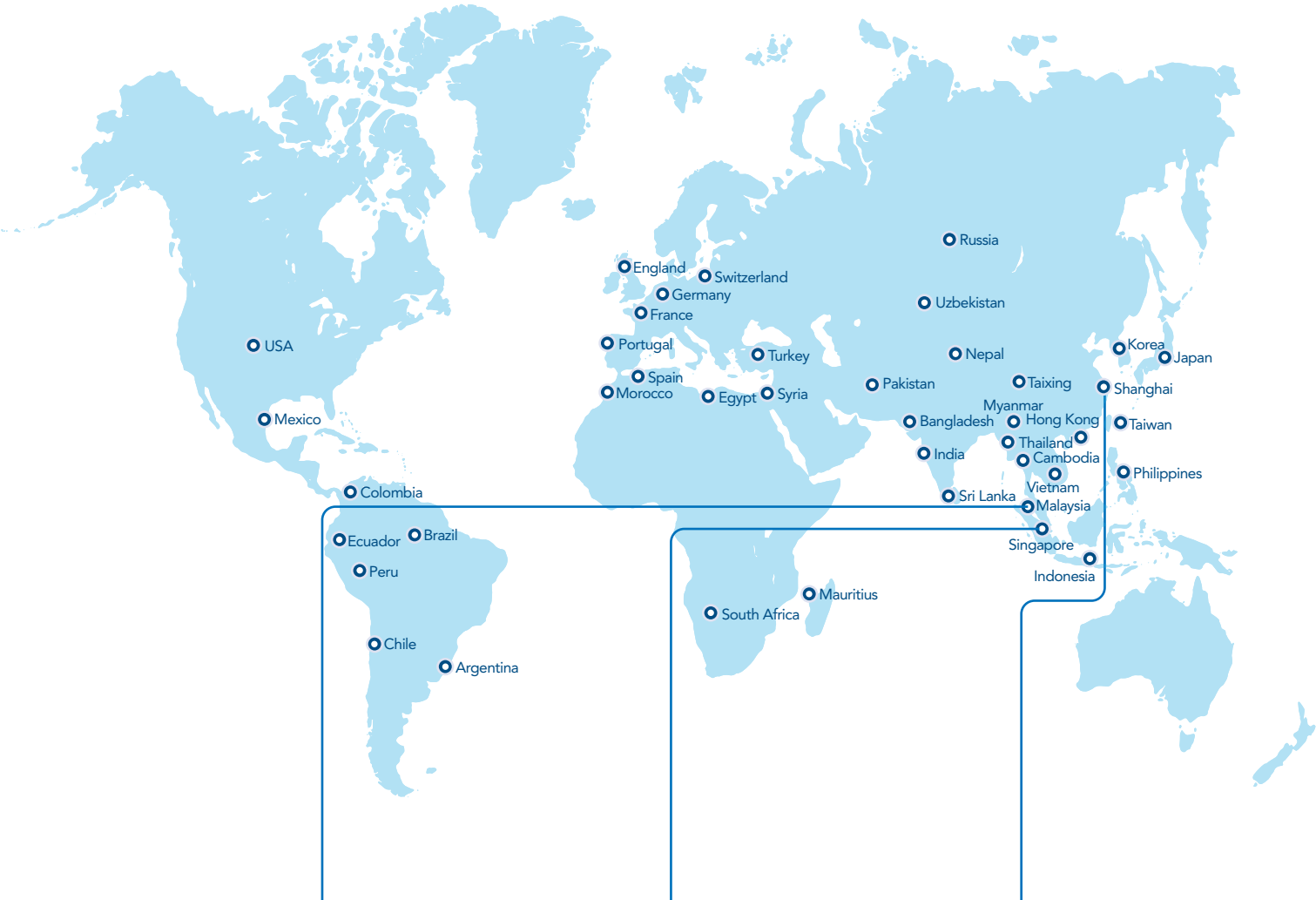
General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 April 2026.

OUR GLOBAL PRESENCE



MALAYSIA



HQ-SINGAPORE



SHANGHAI





(COMPANY REGISTRATION NO. 198904222M)
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