SUNRIGHT

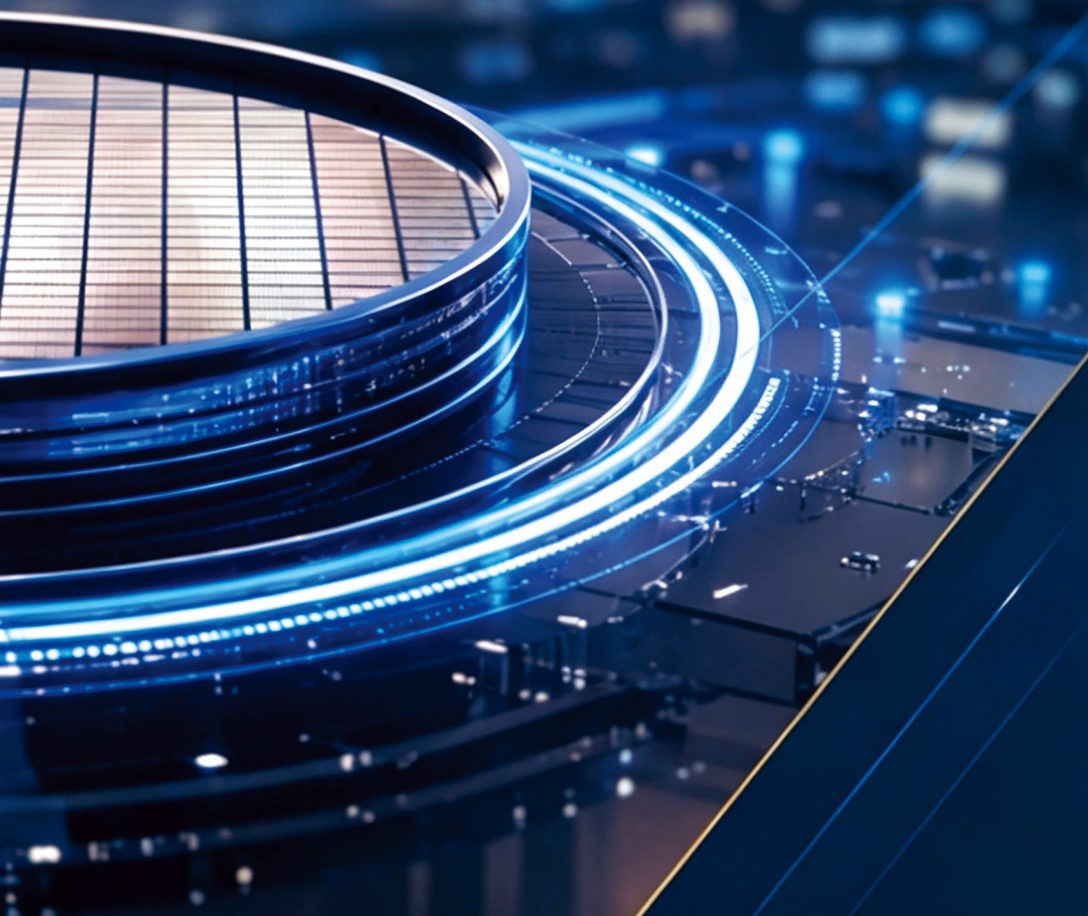
SUNRIGHT LIMITED

(COMPANY REG. NO. 197800523M)

ANNUAL REPORT 2026

THE WORLD'S LARGEST INDEPENDENT BURN-IN AND TEST SERVICE PROVIDER OFFERING COMPREHENSIVE SOLUTIONS & SERVICES FOR WAFERS, PACKAGES TO MODULES





WE ENSURE THE RELIABILITY OF DEVICES MANUFACTURED BY OUR CUSTOMERS FOR A WIDE RANGE OF PRODUCTS

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CHAIRMAN'S STATEMENT

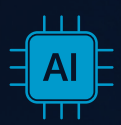
AS WE ENTER FY2027, WE ARE BUILDING FROM A STRONGER FOUNDATION, WITH NEW SOLUTIONS, BROADER APPLICATIONS AND EMERGING OPPORTUNITIES AHEAD.



EXTENDING BEYOND TRADITIONAL PACKAGE BURN-IN INTO ADVANCED SYSTEM-LEVEL TESTING



PROVIDING GREATER DIVERSIFICATION AND A BROADER PLATFORM FOR FUTURE GROWTH



GROWING ALONGSIDE MARKET OPPORTUNITIES IN AI POWER MODULES, POWER DEVICES AND AUTOMOTIVE APPLICATIONS

CHAIRMAN'S STATEMENT

DEAR FELLOW SHAREHOLDERS

FY2026 marked an encouraging return to profitability for Sunright following a challenging FY2025. We made meaningful progress in expanding our technologies into new applications and markets. AI, data centres, advanced automotive and power technologies are creating new opportunities for the Group.

FINANCIAL PERFORMANCE

The Group recorded revenue of S$85.9 million for FY2026, an increase of 18% from S$73.0 million in FY2025. Net profit was recorded at S$1.4 million, reversing the net loss of S$5.8 million in the previous year. Earnings per share improved to 1.2 cents, compared with a loss per share of 4.7 cents in FY2025.

Our return to profitability was driven by stronger business volumes, growing contributions from new solutions and continued operational discipline in delivering better operational performance whilst monetizing underperforming assets and investing in our capabilities to support customers' new requirements. These demonstrated the progress we have made over the past year.

ADVANCING OUR CAPABILITIES

As semiconductor devices become more powerful and complex, testing and reliability requirements continue to increase. We have made good progress in extending beyond traditional package burn-in into advanced system-level testing.

These capabilities are now supporting new applications, including AI-related power modules, building on the market development efforts highlighted last year. We also strengthened our testing capabilities across wafer, package and module levels, supported by our continued investment in innovation over the past decade.

Together, these capabilities position us to bring our proven technologies and solutions to a wider market.

EXPANDING OUR HORIZONS

During FY2026, we took an important step in expanding our market reach, with our marketing efforts gaining traction and delivering encouraging results.

Our application base now spans AI, data centres, automotive, communications and military markets, providing greater diversification and a broader platform for future growth.

Building on our broad customer base and proven reliability expertise, we integrated our established technologies and capabilities into market-ready solutions for new applications, contributing to the Group's growth.

POSITIONED FOR WHAT'S NEXT

AI, data centres, advanced automotive electronics and new power technologies continue to drive demand for greater power efficiency, performance and reliability.

Sunright's capabilities in burn-in and testing for device reliability are growing in tandem with these market growth prospects, particularly in AI-related power modules, power devices and automotive applications. We see opportunities ahead, while remaining mindful of the rapid pace of change in semiconductor markets and technologies.

Our approach is to invest selectively where we see sustainable customer demand, while continuing to strengthen our technical capabilities and deepen customer engagement.

INCREASING SHAREHOLDERS' VALUE

In appreciation of shareholders' loyal support, the Board of Directors has recommended a final tax exempt dividend of 0.3 cent per ordinary share, for shareholders' approval at our Annual General Meeting on 23 November 2026.

APPRECIATION

On behalf of the Board, I would like to express our sincere appreciation to our management and employees for their dedication and commitment throughout the year. We also thank our customers, suppliers and business partners for their continued trust and collaboration, and our shareholders for their continued support and confidence in Sunright.

As we enter FY2027, we are building from a stronger foundation, with new solutions, broader applications and emerging opportunities ahead. We are confident that our continued focus on innovation and execution will enable us to deliver greater value to our customers, capture these opportunities and create sustainable long-term value for our shareholders.

Yours sincerely

SAMUEL LIM SYN SOO
Executive Chairman & Chief Executive Officer
28 September 2026

BUSINESS REVIEW



System-Level
Test System

BUSINESS REVIEW

During FY2026, we successfully delivered solutions for a growing range of advanced applications. In automotive, we expanded our capabilities across a wide variety of sensors supporting increasingly electrified and intelligent vehicles, as well as high-voltage and high-current applications driven by EV architectures, faster charging and the growing adoption of SiC power devices in traction inverters, onboard chargers and power modules. We also made significant progress in system-level testing (SLT), integrating automation, electronics and thermal control into solutions for increasingly complex modules used in data centres and AI infrastructure, where higher power density and thermal loads demand more advanced power delivery, cooling and reliability testing.

At the same time, we continued to expand our test capabilities through the development of wafer-level testing and high-power testing solutions, complementing our established burn-in and final test businesses and broadening the range of applications we can support.

Looking ahead, we are encouraged by the opportunities arising from our close collaboration with world-class customers on their next-generation products. As these products gain market acceptance and move into higher-volume production, we are well positioned to scale our solutions alongside our customers and translate our technology capabilities into future business growth.

BUSINESS REVIEW

FINANCIAL REVIEW

This analysis should be read in conjunction with the Company's consolidated financial statements and notes related thereto.

REVIEW OF FINANCIAL RESULTS

The Group recorded revenue of S$85.9 million in FY2026, reflecting an improvement of S$12.9 million or 18% as compared to S$73.0 million in FY2025. This was attributed to higher equipment deliveries and services as a result of increased demand in the computing and data centres.

Interest income declined by S$0.5 million or 21%, to S$2.0 million, due to placement of fixed deposits at lower interest rates.

Other income increased by S$2.6 million, to S$4.4 million, mainly attributable to higher gain on disposal of property, plant and equipment ("PPE") and assets held for sale by S$2.4 million.

Raw materials and consumables used, as well as changes in inventories of finished goods and work-in-progress, totalling S$13.4 million, were higher by S$3.0 million or 29%, to support higher deliveries.

Employee benefits expense increased by S$1.6 million or 5%, to S$35.1 million, primarily driven by higher variable compensation.

Depreciation increased by S$1.2 million or 8%, to S$16.3 million, as more machinery and test equipment were commissioned for use in the production.

Other expenses were lower by S$1.4 million or 6%, to S$22.9 million, mainly attributable to reductions in utilities and repairs and maintenance expenses of S$1.1 million, decrease in fair value loss on investment securities of S$0.9 million and reversal of impairment on trade receivables of S$0.3 million from an impairment on trade receivables of S$0.3 million. These reductions were partially offset by increases in equipment rental expense of S$0.5 million and net exchange loss of S$0.5 million.

Consequently, the Group recorded profit before tax of S$4.0 million in FY2026, from a loss of S$6.9 million in FY2025.

REVIEW OF FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

PPE was higher by S$8.6 million or 20%, from S$43.9 million as at 31 July 2025, to S$52.6 million as at 31 July 2026. The increase was primarily due to net additions of S$23.5 million, partially offset by depreciation charge of S$16.3 million.

Investment securities reduced by S$1.7 million or 46%, from S$3.7 million to S$2.0 million, as a result of net disposals of S$1.7 million.

Prepayments increased by S$1.4 million, from S$0.6 million to S$2.0 million, mainly due to higher trade purchases and purchases of machinery and test equipment.

Tax recoverables decreased by S$1.6 million or 92%, from S$1.7 million to S$0.1 million, primarily due to tax refunds received during the year.

Current trade and other receivables increased by S$6.4 million or 31%, from S$20.6 million to S$27.0 million, largely due to increase in trade receivables of S$5.9 million as a result of higher revenue in 2HFY2026 as compared to 2HFY2025.

Cash and short-term deposits rose by S$4.3 million or 5%, from S$84.0 million to S$88.3 million, representing net cash generated from operating activities that was partly used to fund capital expenditure.

Total trade and other payables increased by S$9.0 million or 62%, from S$14.5 million to S$23.4 million, largely due to higher payables for purchases of machinery and test equipment, dividend payable and higher accrued operating expenses.

Total loans and borrowings increased by S$2.7 million or 15%, from S$18.1 million to S$20.8 million, mainly due to net proceeds from bank loans of S$0.9 million and net increase in lease liabilities of S$1.4 million.

Income tax payable increased by S$0.5 million, from S$0.3 million to S$0.8 million, primarily due to additional tax provisions made during the year.

Deferred tax liabilities decreased by S$0.6 million or 41%, from S$1.5 million to S$0.9 million, as a result of lower taxable temporary differences, arising from the differences in depreciation for tax purposes.

BOARD OF DIRECTORS



SAMUEL LIM SYN SOO

Executive Chairman and
Chief Executive Officer
Age: 72

First appointment as a Director: 9 March 1978
Appointment as Chairman: 19 February 1990
Appointment as Chief Executive Officer: 13 January 1994
Last re-appointment as a Director: 24 November 2023

Board Committee Membership
- Nominating Committee

Interest in Shares in the Company
67,466,666 shares (54.94%)

Academic & Professional Qualification(s)
- Diploma in Industrial Engineering (Canada)

Background and Working Experience
Mr Lim is an engineer, entrepreneur and innovator.

He began his career as an Industrial Engineer in 1972 at Fairchild Semiconductor in Singapore. He held various senior positions including engineering, manufacturing and marketing, working for U.S. multinational companies based in Asia and USA.

Mr Lim is Founder, Executive Chairman and Chief Executive Officer of the Company and KESM Industries Berhad in Malaysia. He led the Company to become the world's largest independent test and burn-in service company and a leading solution provider.

Present Principal Commitments including Directorships
Directorships in Other Listed Companies
- KESM Industries Berhad

Directorships in Non-Listed Companies
- KES Systems & Service (1993) Pte Ltd
- KES Systems & Service (M) Sdn. Bhd.
- KES Systems & Service Philippines Inc.
- KES International Sdn. Bhd.
- KES Systems, Inc.
- KESM Test (M) Sdn. Bhd.
- KESP Sdn. Bhd.

Major Appointments (other than Directorships)
- Nil

Past Principal Commitments including Directorships (held over the preceding five years)
- Kestronics Philippines, Inc.
- KES Systems & Service (Shanghai) Co., Ltd
- KEST Systems and Service Ltd. (In Voluntary Liquidation)

Relationship between Directors, Key Executives or Substantial Shareholder
Nil



KENNETH TAN TEOH KHOON

Executive Director
Age: 69

First appointment as a Director: 12 January 1994
Appointment as Executive Director: 13 January 1994
Last re-appointment as a Director: 22 November 2024

Board Committee Membership
- Nominating Committee

Interest in Shares in the Company
2,130,000 (1.73%)

Academic & Professional Qualification(s)
- Bachelor of Accountancy, National University of Singapore
- Fellow Member of the Institute of Singapore Chartered Accountants

Background and Working Experience
Mr Tan is responsible for the strategic direction and new business initiatives of some of the Sunright Group companies, contract negotiations, investor relations and oversees the financial management of the Group.

Prior to joining the Company in 1987, he worked in an international accounting firm, a major property group in Singapore and subsequently in a diversified multinational group in the manufacturing and packaging industries.

Present Principal Commitments including Directorships
Directorships in Other Listed Companies
- KESM Industries Berhad

Directorships in Non-Listed Companies
- KES Systems & Service (1993) Pte Ltd
- KES Systems & Service (M) Sdn. Bhd.
- KES Systems & Service Philippines Inc.
- KES International Sdn. Bhd.
- KES Systems, Inc.
- KESM Test (M) Sdn. Bhd.
- KESP Sdn. Bhd.
- KESM Industries (Tianjin) Co., Ltd

Major Appointments (other than Directorships)
- Nil

Past Principal Commitments including Directorships (held over the preceding five years)
- Kestronics Philippines, Inc.
- KES Systems & Service (Shanghai) Co., Ltd
- KEST Systems and Service Ltd. (In Voluntary Liquidation)

Relationship between Directors, Key Executives or Substantial Shareholder
Nil

BOARD OF DIRECTORS



DANIEL SOH CHUNG HIAN

Lead Independent Director
Age: 72

First appointment as a Director: 3 December 2018
Appointment as a Lead Independent Director: 1 February 2021
Last re-appointment as a Director: 21 November 2025

Board Committee Membership
- Audit and Risk Committee (Chairman)
- Nominating Committee (Chairman)
- Remuneration Committee

Interest in Shares in the Company
Nil

Academic & Professional Qualification(s)
- Bachelor of Accountancy, then University of Singapore
- Master of Business Administration, The International Management Centres of the United Kingdom
- Fellow Member of the Institute of Singapore Chartered Accountants

Background and Working Experience
Mr Soh began his career in 1977 with Ernst & Young LLP, Singapore, and was a partner from 1990 till his retirement in December 2012. His 35 years of experience saw him auditing many public listed companies and working on many IPOs of listed companies.

Present Principal Commitments including Directorships
Directorships in Other Listed Companies
- VICOM Ltd
- Intraco Limited

Directorships in Non-Listed Companies
- Nil

Major Appointments (other than Directorships)
- Nil

Past Principal Commitments including Directorships (held over the preceding five years)
- Lum Chang Holdings Limited
- British and Malayan Trustees Limited
- British and Malayan Holdings Limited

Relationship between Directors, Key Executives or Substantial Shareholder
Nil



SANDY FOO FEI YING

Independent
Non-Executive Director
Age: 53

First appointment as a Director: 1 February 2021
Last re-appointment as a Director: 22 November 2024

Board Committee Membership
- Audit and Risk Committee
- Nominating Committee
- Remuneration Committee (Chairman)

Interest in Shares in the Company
Nil

Academic & Professional Qualification(s)
- LLB (Hons), National University of Singapore
- Advocate & Solicitor of the Supreme Court of Singapore

Background and Working Experience
Ms Foo has more than two decades of experience in legal practice, both in Singapore and in London. She is a Partner of and serves on the Executive Committee of Rajah & Tann LLP ("R&T"). She specialises in Mergers & Acquisitions as a member of R&T's Capital Markets, Mergers & Acquisitions practice and is also a member of their Sustainability practice.

In addition, she has co-authored various publications, including the Singapore Chapter of the *Mergers & Acquisitions* (*Global Legal Institute*) *5th and 6th Editions;* Singapore Chapter of the Corporate M&A 2020 Global Practice Guide (*Chambers & Partners*); and the Singapore Chapter of the Private Equity 2020 Global Practice Guide (*Chambers & Partners*).

Present Principal Commitments including Directorships
Directorships in Other Listed Companies
- Nil

Directorships in Non-Listed Companies
- Nil

Major Appointments (other than Directorships)
- Partner, Rajah & Tann LLP
- Honorary Secretary, Governing Council Dover Park Hospice
- Independent Member (MOE nomination) of Board for the Teaching and Testing of South Asian Languages
- Council Member, Singapore Road Safety Council

Past Principal Commitments including Directorships (held over the preceding five years)
- Council Member of the Institute of Valuers and Appraisers, Singapore

Relationship between Directors, Key Executives or Substantial Shareholder
Nil

BOARD OF DIRECTORS



DR. BABAK ALIZADEH TAHERI
Independent
Non-Executive Director
Age: 64

First appointment as a Director: 22 November 2024
Last re-appointment as a Director: 21 November 2025

Board Committee Membership
- Audit and Risk Committee
- Nominating Committee
- Remuneration Committee

Interest in Shares in the Company
Nil

Academic & Professional Qualification(s)
- Bachelor of Science in Engineering, San Francisco State University
- Master of Science in Electrical Engineering, San Jose State University
- Ph.D. in Biomedical Engineering, University of California, Davis

Background and Working Experience
Dr. Taheri has over 20 years of experience in the semiconductor industry. He is the founder of Integrated Biosensing Technologies, an advisory and consulting firm.

Dr. Taheri was Chief Executive Officer and Director of Silvaco Group, Inc., a corporation listed on Nasdaq from November 2021 till August 2025. He was previously the Chief Technology Officer and Executive Vice President of Products of Silvaco Inc from October 2018 to November 2021.

Prior to joining Silvaco, Dr. Taheri was also the acting Chief Technology Officer and advisor to CEO of Novasentis, Inc., and Vice President/General Manager of Sensor Division of Freescale Semiconductors.

Dr. Taheri is Advisory Board Chair of the Electrical Engineering Department at the University of California, Davis and had served on the advisory board of MEMS World Summit.

He was a member of the governing council on ESDA Alliance from 2019 to 2021 and also a director of Parisi House on The Hill, a residential alcohol and drug non-profit, from June 2021 to May 2022.

Present Principal Commitments including Directorships
Directorships in Other Listed Companies
- Nil

Directorships in Non-Listed Companies
- Silvaco Japan Co., Ltd.

Major Appointments (other than Directorships)
- Chief Executive Officer and President, Integrated Biosensing Technologies
- Advisory Board, Electrical Engineering Department at the University of California, Davis

Past Principal Commitments including Directorships (held over the preceding five years)
- Silvaco Group, Inc.
- Parisi House on The Hill
- ESDA Alliance

Relationship between Directors, Key Executives or Substantial Shareholder
Nil

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Samuel Lim Syn Soo
(Executive Chairman & CEO)

Mr Kenneth Tan Teoh Khoon
(Executive Director)

Mr Daniel Soh Chung Hian
(Lead Independent Director)

Ms Sandy Foo Fei Ying
(Non-Executive, Independent Director)

Dr. Babak Alizadeh Taheri
(Non-Executive, Independent Director)

AUDIT AND RISK COMMITTEE

Mr Daniel Soh Chung Hian *(Chairman)*
Ms Sandy Foo Fei Ying
Dr. Babak Alizadeh Taheri

NOMINATING COMMITTEE

Mr Daniel Soh Chung Hian *(Chairman)*
Ms Sandy Foo Fei Ying
Dr. Babak Alizadeh Taheri
Mr Samuel Lim Syn Soo
Mr Kenneth Tan Teoh Khoon

REMUNERATION COMMITTEE

Ms Sandy Foo Fei Ying *(Chairman)*
Mr Daniel Soh Chung Hian
Dr. Babak Alizadeh Taheri

COMPANY SECRETARY

Ms Adeline Lim Kim Swan

SHARE REGISTRAR

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

REGISTERED OFFICE

Blk 1093 Lower Delta Road
#02-01/08
Singapore 169204
Tel : (65) 6272 5842
Fax: (65) 6276 8426

PLACE OF INCORPORATION

Singapore

COMPANY REGISTRATION NO.

197800523M

DATE OF INCORPORATION

9 March 1978

WEBSITE

www.sunright.com

STOCK EXCHANGE LISTING

Listed on 20 October 1994 on SGX Mainboard

STOCK NAME

Sunright

STOCK CODE

S71

AUDITORS

Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583

AUDIT PARTNER

Ms Kiranpreet Kaur Shahi
(Date of appointment:
with effect from financial year ended 31 July 2025)

SUSTAINABILITY REPORT

BOARD STATEMENT
[GRI 2-22]

The semiconductor industry continues to see opportunities driven by the increasing adoption of technologies such as artificial intelligence and automotive electronics, amid evolving geopolitical, trade and supply chain dynamics. These dynamics reinforce the importance of operational resilience, prudent resource management and adaptability across the industry. Sunright remains focused on improving operational stability, optimising our assets and strengthening our position in reliability-critical applications, while continuing to advance responsible business practices. We remain committed to environmental stewardship and resource efficiency as we build greater resilience and create sustainable long-term value for our stakeholders.

The Board is responsible for assessing and supervising key sustainability matters. These matters undergo an annual review, facilitated by close collaboration between management and stakeholders. This ensures their adherence to and relevance for Sunright's strategic direction and priorities.

Following the Board's mandate, the management team is responsible for implementing sustainability policies and practices to advance our sustainability efforts and positively impact the business and stakeholders.

ABOUT SUNRIGHT LIMITED
[GRI 2-1, 2-6]

Founded in 1978, Sunright Limited and its subsidiaries ("Sunright" or the "Group") are the world's largest independent burn-in and testing services provider, offering comprehensive solutions and services for wafers, packages to modules. For several decades, Sunright has served many of the world's leading semiconductor manufacturers and electronics manufacturers, handling a broad range of semiconductor chips, including microcontrollers, microprocessors and memories.

Sunright was listed on the Singapore Exchange ("SGX") in 1994 and is headquartered in Singapore with manufacturing facilities in Singapore, Malaysia, Mainland China and the United States. The Group is well-supported by sales and service support centres in Singapore, Malaysia, Philippines, Mainland China and the United States.

ABOUT THE REPORT
[GRI 2-2, 2-3, 2-5]

This is Sunright's ninth annual Sustainability Report, for the period from 1 August 2025 to 31 July 2026 ("FY2026"). Where applicable, historical performance data are included for comparative purposes.

This report has been prepared with reference to the Global Reporting Initiative ("GRI") Standards 2021 as well as the SGX Listing Rules 711A, 711B and Practice Note 7.6 Sustainability Reporting Guide. The GRI Standards have been considered most suitable for Sunright's sustainability reporting as the standards are recognised internationally and are the most widely adopted global standards for sustainability reporting.

This year, through a phased approach, Sunright is disclosing its fourth Task Force on Climate-related Financial Disclosures ("TCFD") Report to embrace the TCFD recommendations and better manage climate risks and opportunities.

The scope of this report covers significant operating units, including Singapore[1], Malaysia[2] and China[3]. These entities provide burn-in and testing services and manufacturing of burn-in equipment for semiconductors.

[1] Sunright Limited and KES Systems & Service (1993) Pte Ltd
[2] KESM Industries Berhad, KESP Sdn. Bhd. and KESM Test (M) Sdn. Bhd.
[3] KESM Industries (Tianjin) Co., Ltd

SUSTAINABILITY REPORT

This report has further taken reference from the International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards shaped by the International Sustainability Standards Board ("ISSB"). In FY2025, Sunright had conducted a gap analysis to identify the areas for alignment for reporting against IFRS S1 and S2 climate-related disclosures. This year, we will continue to close the identified gaps to improve alignment against ISSB Standards, including the expansion of Scope 3 Categories to enhance the completeness and coverage of our value chain emission disclosures. Moving forward, this will allow us to strive towards compliance with the ISSB Standards in future reporting years, in line with regulatory requirements.

External assurance has not been sought for this report. Sunright will consider seeking external assurance for its sustainability report as its sustainability reporting process matures over time. We have completed an internal audit review focusing on selected sustainability reporting processes for the current reporting period. This added step represents our commitment to transparency and enhancement in reporting. We welcome feedback that would help improve our sustainability efforts. Please direct any feedback to sustainability@sunright.com.

OUR SUSTAINABILITY COMMITMENT AND GOVERNANCE

[GRI 2-12, 2-13, 2-14, 2-16, 2-17]

Sunright is firmly committed to sustainability, a commitment that guides our business. This dedication to sustainability is integrated throughout all levels of the Group, influencing both our business conduct and our responses to the evolving risks and opportunities in the semiconductor industry.

Our established sustainability governance structure helps facilitate the management and oversight of this agenda. The Board and Executive Directors of Sunright are responsible for reviewing and approving Sunright's direction for sustainability programmes and ensuring that sustainability is embedded into the strategic direction of the Group and its operations. To achieve this, the Board continuously maintains an effective governance framework for sustainability within the Group.

The Board has formed a sustainability committee, comprising the Corporate Controller and Chief Operating Officer, to drive and implement the sustainability policies and practices, champion sustainability KPIs, monitor sustainability-related performance and eventually provide an annual update to the Board for review and appraisal.

To ensure effective integration of sustainability principles across the Group, the Board is committed to reviewing and assessing material information, enhancing its knowledge and ability to provide quality and professional reviews, and ensuring that sustainability risks and opportunities are incorporated into Sunright's strategic directions. Likewise, senior management is guided by sustainability KPIs benchmarked against industry practices, considering economic, environmental, social and governance-related risks and opportunities, where applicable. In addition, climate-related risks and opportunities along with relevant sustainability metrics such as Scope 1 and 2 emissions are supported by the relevant departments and reported to the Board annually. Further, these departments receive in-house training as needed whenever new sustainability metrics are introduced.

Sunright recognises that it is of utmost importance for board members to have sufficient understanding and knowledge of sustainability issues to effectively discharge the above duties and carry out their role of sustainability governance. Directors attend sustainability-related trainings to equip themselves with knowledge on enhanced sustainability reporting requirements and sustainability matters such as corporate sustainability, climate risks and human rights. These ongoing trainings help widen their sustainability knowledge and keep them abreast with the latest regulatory developments and any emerging topics.

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

[GRI 2-29]

Sunright's key stakeholders are identified as those having significant impact on as well as those significantly impacted by our operations. At Sunright, we are committed to addressing the needs and concerns of all our stakeholders. Through day-to-day interactions and regular engagement sessions via various platforms, we gain a better understanding of their concerns and expectations to inform our sustainability practices and facilitate continuous improvement.

Table 1: Sunright's approach towards stakeholder engagement

	Purpose of engagement	Key areas of concern	Engagement platforms	Frequency of engagement
SHAREHOLDERS				
	• Provide regular and timely updates about Sunright's performance to enable key shareholders to make informed investment decisions	• Sunright's financial health and industry reputation • Sustainability performance	• Press releases • Announcements • Annual report • Annual general meeting	• Periodic • Half yearly • Annual • Annual
CUSTOMERS				
	• Maintain international certifications and standards to ensure the quality, safety and efficiency of products, services and systems (e.g. ISO 9001:2015 certification, ISO 14001:2015 certification, IATF 16949:2016 certification, ISO 27001: 2022 certification, ISO 45001: 2018 certification)	• Service and product quality • Timely delivery	• Industry events • Customer satisfaction surveys and scorecards • Customer visits to our plants	• Frequent • Periodic • As necessary
EMPLOYEES AND OUTSOURCED WORKERS				
	• Implement non-discriminatory Human Resources ("HR") policies	• Fair employment and well-being • Occupational health and safety	• Electronic updates and newsletters	• Periodic
	• Provide deserving remuneration, welfare and benefits		• Annual performance appraisals • Company events and staff bonding sessions	• Annual • Periodic
	• Provide relevant trainings (safety and job specific)	• Training and development	• Trainings	• Periodic

	Purpose of engagement	Key areas of concern	Engagement platforms	Frequency of engagement
CONTRACTORS AND SUPPLIERS				
	• Conduct fair suppliers' screening process	• Business opportunities	• Project tenders	• As necessary
	• Conduct regular suppliers' evaluation process	• Feedback on performance	• Suppliers' evaluation meetings	• Periodic
REGULATORS				
	• Keeping abreast with the latest regulatory requirements	• Compliance to regulatory requirements	• Statutory reporting • On-site inspections	• Periodic • As necessary
LOCAL COMMUNITY				
	• Participate in Corporate Social Responsibility ("CSR") activities	• CSR initiatives	• CSR programmes	• Periodic
	• Provide employment opportunities through our business	• Employment opportunities	• Teaming with local technical institutions for job training and internship opportunities	• Annual

MATERIALITY ASSESSMENT

[GRI 3-1, 3-2]

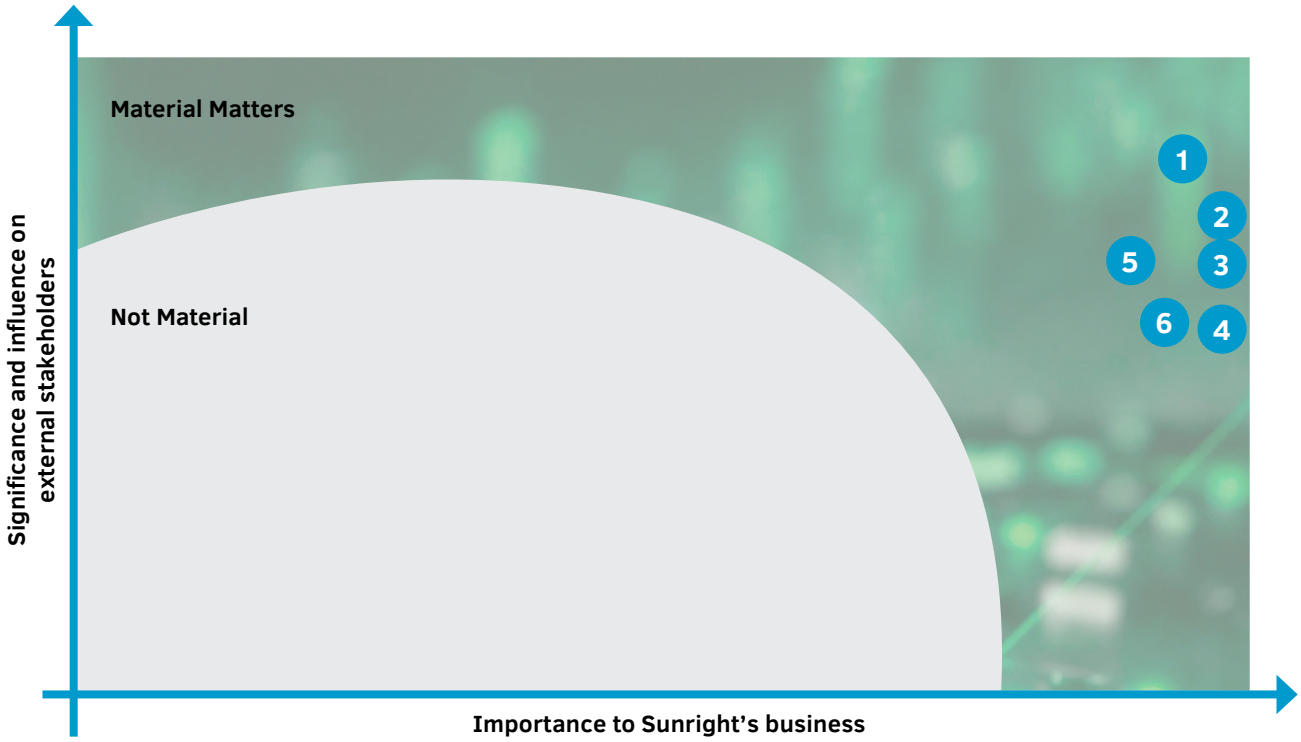
On an annual basis, Sunright reviews the material matters to ensure their continued relevance amidst global and industry's environmental, social and governance ("ESG") trends. In FY2026, the Board has determined that all material matters continue to be relevant to the business. Sunright also remains conscious of potential sustainability matters that may be of investor concern due to their significant environmental and social impacts. For matters currently not deemed material to Sunright, we have existing management systems and internal controls that enable us to carry out our ongoing commitment to enhancing our ESG impacts and reducing environmental footprint where practicable.

Figure 1: Sunright's Materiality Assessment Process

1	**Identification** A preliminary list of potential sustainability matters was identified through a review of Sunright's business strategy, market landscape, regulatory requirements and leading sustainability practices.
2	**Prioritisation** Through an unbiased and anonymous voting exercise, these sustainability matters were prioritised based on the significance of the impact of each issue, considering both the perspectives of internal and external stakeholders.
3	**Validation** The results of the exercise were mapped into a materiality matrix, which was approved by the Board.
4	**Assessment/Review** In FY2026, a review of the material matters was conducted. It was concluded that the existing six identified material matters remained relevant for reporting. Sunright will continue to conduct annual reviews of its material matters to ensure that the company continues to consider critical sustainability matters relevant to its business across the years.

SUSTAINABILITY REPORT

Figure 2: Sunright's Sustainability Matters and Corresponding GRI Topics



	Material Matters	Description	Corresponding GRI
1	Occupational health and safety	Protecting the physical and mental well-being of all employees and workers	GRI 403: Occupational Health and Safety
2	Regulatory compliance	Compliance with all regulatory requirements, including environmental, labour, health and safety regulations	GRI 2-27: Compliance with Laws and Regulations
3	Corporate governance and business ethics	Adherence to responsible business practices in terms of anti-corruption and corporate governance	GRI 205: Anti-corruption
4	Economic performance	Sustaining economic growth through responsible supply chain management and contribution of economic value	GRI 201: Economic Performance GRI 204: Procurement Practices
5	Energy and carbon footprint	Efficient use of energy to minimise carbon footprint from our operations	GRI 302: Energy GRI 305: Emissions
6	Fair employment practices	Equal opportunities and treatment for all employees and workers	GRI 401: Employment GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination

FOSTERING A SAFETY CULTURE

[GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10]

Establishing effective management of occupational health and safety plays a pivotal role in promoting a safe and healthy working environment, thereby enhancing employee morale and job satisfaction. A safer workplace also decreases the danger of work-related accidents, lessens the likelihood of employee absenteeism and reduces staff turnover, resulting in a more stable and skilled staff, which can support the growth of the company. On the other hand, insufficient safety precautions could harm employees' health and well-being, raise the possibility of workplace accidents, and severely harm Sunright's reputation, affecting our ability to attract talent and do business.

Sunright has in place a Health and Safety Policy which outlines our objectives and approach towards ensuring the health and well-being of our staff[4] in the workplace. This policy includes the procedures, guidelines and best practices that all employees and workers must adhere to mitigate workplace health and safety risks in the workplace. Our Occupational Health and Safety Management System ("OHSMS"), which the Group, including its subsidiaries, are required to comply with, is developed with reference to local safety regulations and covers all our employees and workers in our operating locations. This system ensures that employees and workers are provided with necessary health and safety protections aligned with industry standards.

As part of our commitment to continuously strengthening our occupational health and safety practices, Sunright operates an OHSMS aligned with international standards and has obtained ISO 45001:2018 Occupational Health and Safety Management System certification during the year. The OHSMS incorporates a risk-based approach, with processes to identify and assess occupational health and safety risks, monitor and review control measures and drive continuous improvement. This approach reinforces Sunright's commitment to maintaining a safe and healthy working environment while continuously strengthening risk management and enhancing our occupational health and safety performance across our operations over time.

Hazard Identification and Risk Assessment

Identifying and minimising hazards is a key component of our Health and Safety approach. Hazard identification is carried out through monthly safety walks, and any hazards identified, along with any proposed mitigation measures, are then evaluated during the monthly safety meeting. Our safety policies and guidelines contain a list of identified hazards, as well as steps and procedures for our staff, that minimise the risks posed to our staff when adhered to. Some of the hazards identified include:

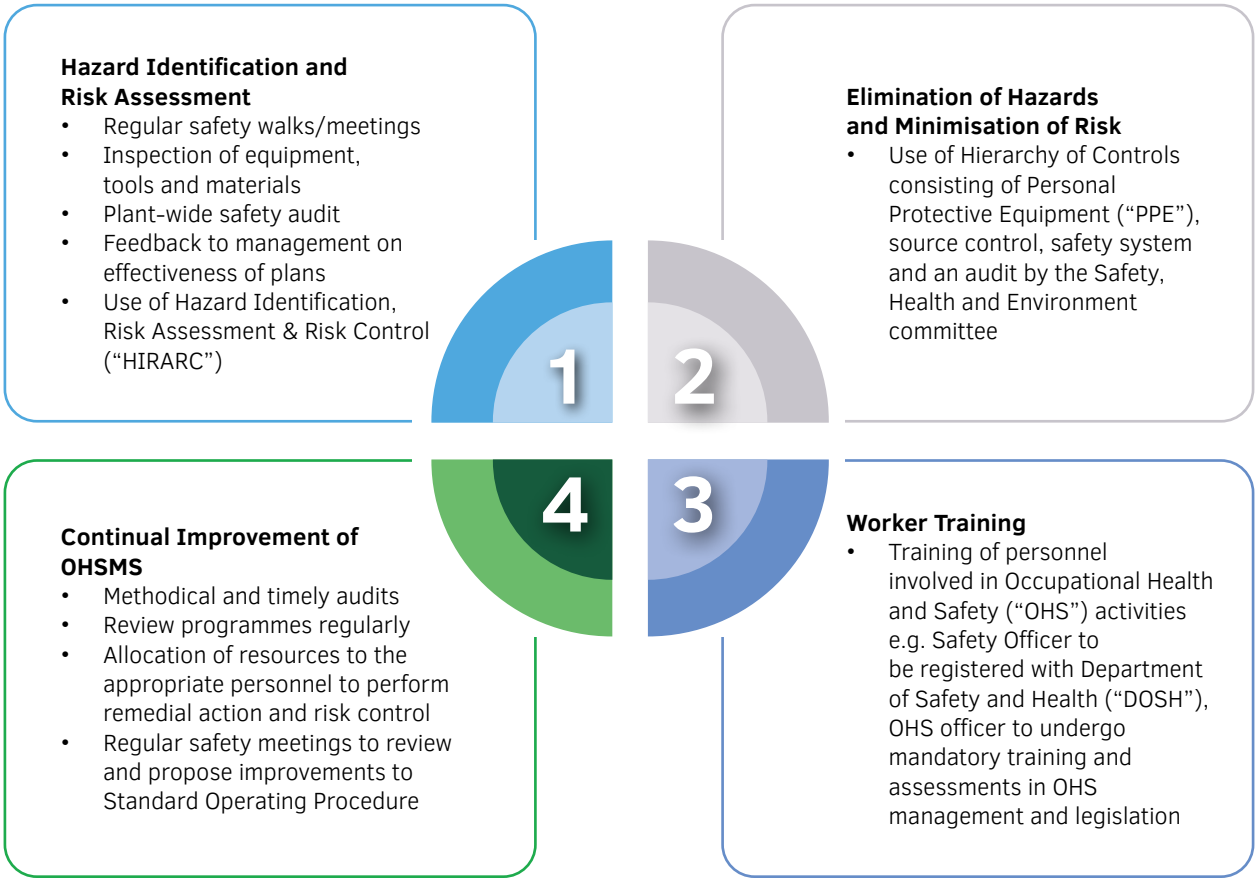
- Cuts from handling sharp blade edges
- Slips, trips or falls
- Fire risks
- Vehicles
- Slippery floors

Our safety personnel are regularly trained and updated with the latest safety practices to ensure that risks are appropriately identified and controlled. Operators are briefed by the Head Supervisor before every work shift to stress the importance of adhering to safety protocols. This contributes to the overall effectiveness of the OHSMS, which is essential in safeguarding the health of our staff.

[4] Covering employees and workers.

Figure 3 elaborates on the systematic process established to identify and eliminate hazards, towards continued improvement of the OHSMS.

Figure 3: Process of Hazard Identification, Risk Assessment and Improvement of OHSMS



Incident Investigation

As part of our approach to Health and Safety, Sunright has implemented a systematic process that enables quick identification and remediation of hazardous situations that occur. Any operator who discovers a work hazard or believes that they have been placed in an unsafe working environment must voice their concerns to their supervisor immediately.

All supervisors are then expected to assess the situation and rectify potential safety issues before allowing their operators to resume work. After addressing the hazard, the Safety, Health and Environment ("SHE") committee will launch an investigation and generate a report of the incident. The relevant stakeholders will take follow-up actions.

Sunright's Code of Conduct protects any staff who report hazards from receiving backlash in any form. This encourages constant mindfulness around safety and safeguards the collective health and safety of our staff.

Occupational Health Services and Promotion of Worker Health

Our operations involve providing burn-in and test services for semiconductors, and we have identified several related potential occupational health hazards present in our operating sites. In addition to the physical health check-up that every new employee must undergo, we provide specific occupational health services for each employee role and the hazards they are exposed to. We provide annual medical check-ups for employees and workers handling chemicals, as well as annual audiometric check-ups for those working in high noise areas.

First aid treatment is provided for the affected personnel for any minor injuries that occur, and transportation to the nearest hospital is immediately arranged for more severe injuries. As part of Sunright's OHSMS, we engage only certified service providers who are required to comply with all international and national OHS standards and regulations. Bearing in mind that we operate in multiple jurisdictions, we have made the OHS readily available in several languages. We also engage our staff through surveys and rating systems that help us to evaluate the effectiveness of OHSMS, which allows us to constantly improve the quality.

For the continued well-being of our staff, we provide services such as annual health screenings and consultations at company-approved clinics. In addition, we collaborate with external providers to organise voluntary blood tests and indoor/outdoor activities for our staff to participate during working hours. We collect feedback from our staff at the end of each activity so that we can gauge its success and find ways to improve our programmes for the following year.

Worker Participation and Training

The effectiveness of our OHS policies and programmes is enhanced by the active involvement of our staff. Our employees are provided with OHS training such as training for management staff, first aid and CPR training for designated workers, as well as safety training for all operations staff annually. For operators exposed to specific hazards (e.g. chemicals), they are given the appropriate hazard-specific training.

Figure 4: Fire training with Bomba (Fire and Rescue Academy of Malaysia)





Table 2: Breakdown of employees trained on health and safety standards

	FY2024	FY2025	FY2026
Malaysia	644	565	565
China	149	138	141
Singapore	36	4	2
Total	**829**	**707**	**708**

A formal joint management-worker SHE committee has also been established to engage our workers in OHS consultation and communication process. The committee is involved in the development and regular review of the safety and health programmes, as well as in promoting safety awareness throughout the organisation.

Figure 5: Worker Participation, Consultation and Communication on OHS

Formal joint management-worker OHS committee

- Subcommittees include accident and fire prevention, first aid, publicity and safety audit
- Roles include chairman, consultant, supervisors, department heads, plant manager and members

Workers' involvement in OHSMS

- Committees and subcommittees made up of representatives from various departments and members drawn from all levels

Workers' access to OHS information

- OHS requirements discussed during safety training
- Incident reports are regularly updated and published to all employees

Sunright has taken proactive steps, guided by government-mandated advisories, to protect the health and well-being of our stakeholders and employees, implementing relevant measures to ensure a safe workplace for all.

In FY2026, Sunright recorded zero fatalities among employees and workers. One recordable injury was reported involving a non-executive employee who sustained an injury to her left foot while handling goods in a company vehicle after accidentally falling from a stool. Following the incident, corrective actions have been taken to reinforce safe handling practices and prevent similar incidents from recurring.

As detailed in our OHS policy, a root cause analysis is conducted for every incident to identify contributing factors and determine appropriate corrective and preventive actions. The findings are used to strengthen existing safety measures and support the continuous improvement of workplace safety practices.

Table 3: Breakdown of work-related injuries for all employees and workers

EMPLOYEES	**FY2024**		**FY2025**		**FY2026**	
Number of man-hours worked	1,974,725		1,620,296		1,611,345	
Number and rate of fatalities as a result of work-related injuries	-	-	-	-	-	-
Number and rate of high-consequence work-related injuries	-	-	-	-	-	-
Number and rate of recordable work-related injuries	1	0.51	-	-	1	0.62
Lost time injury rate	0.51		-		0.62	
Main types of work-related injuries	Abrasions from machinery		Not Applicable		Foot injury	

WORKERS	**FY2024**		**FY2025**		**FY2026**	
Number of man-hours worked	2,932,395		2,259,953		1,868,267	
Number and rate of fatalities as a result of work-related injuries	-	-	-	-	-	-
Number and rate of high-consequence work-related injuries	-	-	-	-	-	-
Number and rate of recordable work-related injuries	-	-	-	-	-	-
Lost time injury rate	-		-		-	
Main types of work-related injuries	Not applicable		Not applicable		Not applicable	

Table 4: Breakdown of work-related ill-health for all employees and workers

EMPLOYEES	FY2024	FY2025	FY2026
Number of fatalities as a result of work-related ill-health	-	-	-
Number of recordable work-related ill-health	-	-	-
Main types of work-related ill-health	Not applicable	Not applicable	Not applicable

WORKERS	FY2024	FY2025	FY2026
Number of fatalities as a result of work-related ill-health	-	-	-
Number of recordable work-related ill-health	-	-	-
Main types of work-related ill-health	Not applicable	Not applicable	Not applicable

Focus Area	Perpetual Target	FY2026 Performance
Occupational Health and Safety	0 work-related fatalities and injuries	1 minor injury

ENSURING STRICT COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

[GRI 3-3, 2-27]

Compliance with all relevant laws and regulations is of utmost priority to Sunright. This includes the myriad environmental and socio-economic laws and regulations of all the countries in which we operate. Compliance is crucial to the long-term success of Sunright's business because it demonstrates the reliability of our operations and fosters confidence among our stakeholders, particularly investors and customers, in our goods and services and the sector in which we operate, enhancing the company's chances for economic growth and expansion. Additionally, the environment and nearby communities can benefit from reduced resource use and waste as a result of adherence to environmental regulations.

Nonetheless, the failure to comply with the respective ESG regulations could also lead to negative consequences, including legal and financial penalties, environmental harm to ecosystems and potential worker exploitation compromising human rights and ethical principles.

To maintain high standards of compliance, our policies are regularly reviewed and updated in response to changes in regulatory requirements. In addition, all employees are required to uphold the behavioural standards outlined in the Code, reinforcing our commitment to ethical and lawful conduct across the organisation.

Focus Area	Perpetual Target	FY2026 Performance
Regulatory Compliance	0 confirmed cases[5] of non-compliance with environmental laws and regulations	Achieved
	0 confirmed cases of non-compliance with socio-economic laws and regulations	Achieved

[5] Confirmed cases refer to reported cases that have material impact to the operations of Sunright.

SUSTAINABILITY REPORT

UPHOLDING CORPORATE GOVERNANCE AND BUILDING AN ETHICAL CULTURE

[GRI 3-3, 2-23, 2-24, 205-1, 205-2, 205-3]

Prioritising ethical conduct and strong corporate governance practices not only establishes long-term partnerships and confidence among stakeholders such as investors, customers and employees, but also contributes to environmental protection and social development.

Conversely, inadequate corporate governance and ethical failures can result in reputational harm, legal ramifications and harmful effects on the environment and society. Pursuing ethical excellence is critical for Sunright to be a responsible corporate citizen and positively contribute to the larger global community.

Sunright understands that the long-term success and growth are directly tied to the integrity and the ethical foundations of its business practices. We strive to cultivate ethical business practices throughout our operations and our value chain. Sunright implements a zero-tolerance policy with regard to fraud, bribery and corruption.

Our Code of Conduct (the "Code") contains the business policies that govern our approach to ethics, outlined within it are our values, principles and expectations. The Code takes reference from the Responsible Business Alliance ("RBA") Code of Conduct and has been approved by the Board. It also undergoes regular review by the management to ensure that the policies within remain relevant and aligned with our ethical principles. Further information on our governance approach with regard to the ethics, values and desired organisational culture of the company can be found in our Corporate Governance Report.

The above expectations and related policies are communicated to our employees through emails, letters and annual training sessions. Additionally, in our operations across Singapore, Malaysia and China, employees are required to undergo training on Sunright's principles, values and policies as part of the orientation process.

In FY2026, a total of 725 (96%) employees received training on anti-corruption policies across Singapore, Malaysia and China. Separately, all employees will receive communication on anti-corruption policies upon joining the company.

Similarly, Sunright ensures that its business partners are adequately informed of Sunright's business practices, including our longstanding policy against commissions, gifts and entertainment of favour in return for business deals. Our suppliers are also made aware of Sunright's Supplier Code of Conduct, which necessitates their compliance with our policies regarding forced labour, child labour and the upholding of human rights. More information on the Supplier Code of Conduct can be found on page 27.

Responsible Business Alliance Code of Conduct

Sunright has voluntarily adopted the RBA, a globally-recognised set of social, environmental and ethical industry standards. The RBA ensures that working conditions are safe, workers are treated with respect and dignity, and business operations are environmentally responsible and conducted ethically. Sunright will maintain its commitment to following the policies and regulations set out by the RBA.

As the Code is designed to be a total supply chain initiative, at a minimum, Sunright shall require its next tier suppliers to implement the Code.

Our management monitors and reviews the Code on a regular basis to ensure its continued applicability and effectiveness.

Table 5: Sunright's policies relating to Business Ethics and Anti-corruption

Name of Policy	Policy Description
Whistle-Blower Policy 	Sunright's Whistle-Blower Policy applies to all directors and employees as well as third parties such as suppliers, contractors, sub-contractors and agents. The policy, alongside internal controls, operating procedures and governance policies intended to detect and prevent or deter improper conduct, is intended to encourage employees to report any potential improprieties (e.g. wrongdoing or misconduct) as well as protect their identity. The specific objectives of the policy are as follows: • To encourage employees to confidently raise genuine concerns about possible improprieties • Provide ways for employees to raise concerns and receive feedback on any actions taken as a result • Reassure employees that if they raise any concerns in good faith and reasonably believe them to be true, they will be protected from possible reprisals or victimisation
Grievance Handling Policy 	The Grievance Handling Policy and the accompanying grievance mechanism procedure were formulated to strengthen industrial efficiency and stability in performance. They ensure that grievances are handled at the lowest corporate level possible. Grievances can include any violations or threats on fair and humane treatment, such as prohibition of sexual harassment, abuse (mental, physical or verbal), coercion, corporal punishment etc.
Business Ethics Policy 	Sunright's Business Ethics Policy ensures our integrity and reliability as an organisation. To minimise any possible conflicts of interest or coercive elements from external sources, our employees are prohibited from associating with illegal cartel activities, illicit price-fixing, deception and undesirable social behaviour as well as from dealing with customers or vendors that offer rebates, commissions and other forms of illegal remuneration. Employees are required to fully disclose any circumstances likely to give rise to conflicts of interest, and are disallowed from giving or accepting any gifts, which might improperly influence the normal business relationship with any supplier or customer. All company business dealings are based on a 'fair deal' basis. All employees shall impress upon business partners on the high business ethics and refrain from providing or accepting bribes and kickbacks.
Purchasing Policy 	The Purchasing Policy sets clear guidelines on maintaining ethical relations with vendors and suppliers while acting with integrity throughout all procedures related to the purchasing activities of the company.

Table 6: Number of active employees and business partners who received communication and training on anti-corruption policies by employee category and region

FY2026		Employee Category		
		Direct Labour	Exempt/ Non-Exempt	Manager
Total number required to receive communication and training		**152**	**536**	**69**
Total number and percentage of employees who were communicated on policies		**149 (98%)**	**516 (96%)**	**60 (87%)**
Total number and percentage of employees who received training		**149 (98%)**	**516 (96%)**	**60 (87%)**
Singapore	Communicated to	1	12	12
	Received training	1	12	12
Malaysia	Communicated to	131	395	35
	Received training	131	395	35
China	Communicated to	17	109	13
	Received training	17	109	13

FY2025		Employee Category		
		Direct Labour	Exempt/ Non-Exempt	Manager
Total number required to receive communication and training		**166**	**518**	**74**
Total number and percentage of employees who were communicated on policies		**160 (96%)**	**477 (92%)**	**58 (78%)**
Total number and percentage of employees who received training		**160 (96%)**	**477 (92%)**	**58 (78%)**
Singapore	Communicated to	2	14	7
	Received training	2	14	7
Malaysia	Communicated to	141	356	37
	Received training	141	356	37
China	Communicated to	17	107	14
	Received training	17	107	14

FY2024		Employee Category		
		Direct Labour	Exempt/ Non-Exempt	Manager
Total number required to receive communication and training		**240**	**603**	**77**
Total number and percentage of employees who were communicated on policies		**190 (79%)**	**524 (87%)**	**62 (81%)**
Total number and percentage of employees who received training		**190 (79%)**	**524 (87%)**	**62 (81%)**
Singapore	Communicated to	20	36	13
	Received training	20	36	13
Malaysia	Communicated to	152	373	35
	Received training	152	373	35
China	Communicated to	18	115	14
	Received training	18	115	14

	Business Partners[6]		
	FY2024	FY2025	FY2026
Total number of business partners who were communicated on policies	**247**	**319**	**193**
Percentage of key business partners[7] who were communicated on policies	**46%**	**36%**	**22%**
Singapore	117	120	75
Malaysia	44	112	25
China	86	87	93

All directors representing the governance body of Sunright have received communications on the organisation's anti-corruption policies and attend ad-hoc trainings as and when deemed necessary.

Our operations in Singapore, Malaysia and China have been assessed for risks related to corruption. During the year, there were no cases of corruption brought against Sunright or its employees, a record we have consistently maintained to date and will continue to uphold.

Focus Area	Perpetual Target	FY2026 Performance
Ethical Business Conduct	0 confirmed cases of corruption within Sunright	Achieved

6 Business partners include customers, suppliers and contractors.

7 Key business partners include the ten most significant customers, suppliers and contractors in each respective Sunright entities in Singapore, Malaysia and China.

DATA PRIVACY AND SECURITY

[GRI 418-1]

In an era where technology is continually evolving and enhancing our workplace dynamics, fostering efficient and effective collaboration, it is paramount that we, at Sunright, steadfastly tackle the escalating threats and potential risks posed by cyberattacks. Sunright is committed to protecting the private information and personal data of our customers, suppliers and employees.

Our cybersecurity measures are carefully designed to ensure legal and appropriate sharing of information. We treat all data with extreme care, ensuring its confidentiality and upholding its integrity at all times.

The following outlines the key controls for safeguarding data privacy:

- Protect our technology resources and assets with encryption, firewalls and antivirus software.
- Sign non-disclosure agreements between Sunright and its contractors, suppliers and customers.
- Regularly communicate to all employees to reinforce their understanding and foster consistent compliance with Personal Data Protection Act in Singapore and Malaysia as well as the Personal Information Protection Law in China.

With regard to customer privacy and data protection, there were no substantiated complaints or fines received from outside parties or regulatory bodies in FY2026. Likewise, there were no recorded instances concerning data breaches or complaints received from external stakeholders.

SUSTAINING ECONOMIC PERFORMANCE

[GRI 3-3]

Ensuring a strong economic performance can positively impact the wider economy through the creation of job opportunities, stimulating industry growth, improving livelihoods of local communities and contributes to overall economic development. It can also lead to increased investments in research and development, fostering technological advancements and innovations in the sector. At the same time, it is important to also strive for responsible economic growth as too much emphasis on the financial performance may jeopardise employee rights or safety, potentially resulting in human rights violations, or prioritising economic advantages over environmental considerations may result in environmental harm if not committed to sustainable practices.

Contributing Direct Economic Value

[GRI 201-1]

In FY2026, Sunright recorded revenue of approximately $86 million, reflecting an increase of $13 million or 18%, from $73 million in the previous financial year. The net economic value generated of $3.2 million was mainly driven by higher revenue arising from growing demand for the Group's products and services. Nonetheless, global economic conditions remained challenging during the financial year, with cost pressures continuing to affect businesses across various sectors. In particular, increases in raw material, logistics and other operating costs continued to impact business operations.

Against this challenging environment, the Group continued to improve on operational stability and prudent asset optimisation to mitigate the impact of rising cost. At the same time, Sunright remained focused on strengthening its capabilities to support customers in growth areas while ensuring effective and sustainable allocation of resources.

Table 7: Economic Value Generated, Distributed and Retained from FY2024 to FY2026[8]

	FY2024	FY2025	FY2026
Economic Value Generated (SGD'million)			
Revenue	82.0	73.0	86.0
Other income from financial investments	3.7	3.3	4.4
Sales of assets	8.8	0.5	2.7
Economic Value Distributed (SGD'million)			
Operating costs[9]	(43.5)	(39.3)	(53.0)
Employee wages and benefits	(37.2)	(33.5)	(35.1)
Payments to providers of capital	(1.7)	(1.6)	(1.8)
Payments to governments	(0.8)	(0.8)	-
Economic Value Retained (SGD'million)			
Net Economic Value Generated (SGD'million)	11.3	1.6	3.2
For further details on our economic performance and business review, please refer to the following sections in our Annual Report: Financial Statement and Chairman's Statement.			

Community Investment

Sunright is committed to fostering social development and providing support to local communities. Our community investment initiatives include various contributions, donations and CSR programmes, all aimed at supporting and uplifting underserved communities. This approach not only reinforces our commitment to social responsibility but also strengthens our community relations and aligns with our overall business objectives.

During the year, Sunright contributed towards community initiatives and this investment has positively impacted 150 individuals, demonstrating our commitment to supporting the well-being and development of local communities. Through these efforts, Sunright seeks to create shared value and contribute to sustainable development in the communities where we operate.

8 FY2024 to FY2026 figures include all companies within the Sunright Group.

9 Operating costs include cash payments made outside the organisation for material cost, purchase of property, plant and equipment and other expenses.

SUSTAINABILITY REPORT

Below is a summary of our contributions for our CSR activities in FY2026.



Melaka River Cleaning Initiative

On 9 May 2026, a total of 30 employees participated in this meaningful program to clean the river. Through their active involvement, the employees contributed their time and effort to improve the cleanliness of the river and promote environmental awareness within the community. The programme also encouraged teamwork and strengthened employees' commitment to environmental sustainability and corporate social responsibility.



Charity Fun Run & Masquerade Walk – HOPE Bolathon organised by HOPE Worldwide Malaysia

On 28 June 2026, 30 employees participated in the Charity Fun Run organised by HOPE Worldwide Malaysia to raise funds for its Health & Well-Being Programs. These programs provide medical support and improve access to healthcare services for underprivileged and underserved communities across Malaysia.

The initiative also supports community outreach activities and programs aimed at enhancing the quality of life of vulnerable groups.



Corporate Cup Football Matches – HOPE Bolathon organised by HOPE Worldwide Malaysia

On the same day, 10 employees participated in the football match held as part of HOPE Bolathon, promoting teamwork, employee engagement and a healthy lifestyle.

Managing Supply Chains Responsibly
[GRI 2-6, 204-1]

Governing the screening, selection and management of our suppliers are Sunright's Purchasing Policy and Procedures. As part of these guidelines, our robust Three-Step Supply Chain Management Process further outlines the steps we take for sourcing and selection of new items, delivery follow-up, receiving, inspection of goods and payments to vendors.

Figure 6: Purchasing Policy and Procedures

Purchasing Policy	
	
Vendor Qualification Procedure	**Purchasing Procedure**
Recognising that our suppliers influence our supply chain significantly, Sunright adheres to stringent criteria in selecting environmentally and economically accountable suppliers as laid out in our Vendor Qualification Procedure. This comprehensive procedure is integral to Sunright's Three-Step Supply Chain Management Process.	Sunright's Purchasing Procedure acts as an overall check-and-balance on all purchasing activities associated with our supply chain. The provisions of this policy encompass guidelines, procedures and the scope of all purchases.

Figure 7: Sunright's Supply Chain Management Process

1

Internal Requisition ("IR")

The first step of our Supply Chain Management Process is the IR process, which is facilitated by an online system maintaining a clear audit trail of all requisition cases. Once the IR is raised, an approval process is triggered before vendor sourcing commences and a Purchase Order is raised.

2

Supplier Selection/Vendor Qualification Procedure

Sunright adheres to stringent supplier selection criteria to manage our supply chain impacts on the economy, society and environment.

The suppliers need to acknowledge and accept Sunright's Supplier Code of Conduct before engagement. The following aspects are covered in the Code:

i. Compliance with all applicable laws and regulations
ii. Prevention of, and intolerance for, corruption and all forms of bribery
iii. Prohibition of child labour
iv. Safeguarding the health and safety of employees
v. Upholding of human rights

Our suppliers are also expected to eliminate the use of conflict minerals to achieve 100% conflict-free mineral sourcing. They are also responsible for performing due diligence on their supply chain, and required by contract to inform Sunright of any parts ordered that involve conflict minerals as appropriate to ensure compliance.

All suppliers are required to conform to the ISO 9001:2015 standard for quality management systems, or higher quality management systems.

3

Supplier Evaluation

Our suppliers are regularly assessed to allow Sunright to improve or maintain our quality of services and drive customer satisfaction. Where a supplier's performance is unsatisfactory, feedback is provided to help them identify any scope for improvement. Should the supplier continue to be negligent in improving their performance, we may take stern actions, including the suspension of contracts.

One of the primary ways for Sunright to improve risk management and operating efficiency is the local sourcing of products and services. Consequently, local sourcing has become a cornerstone of Sunright's sustainability strategy, an approach which also supports local businesses and jobs while meeting our environmental and social objectives by minimising our carbon footprint.

Sunright has consistently ensured that at least 50% of its purchases are sourced locally as part of our efforts to support local suppliers and contractors. In FY2026, 80% of our procurement spending was used to purchase supplies locally in Singapore, Malaysia and China, where we operate.

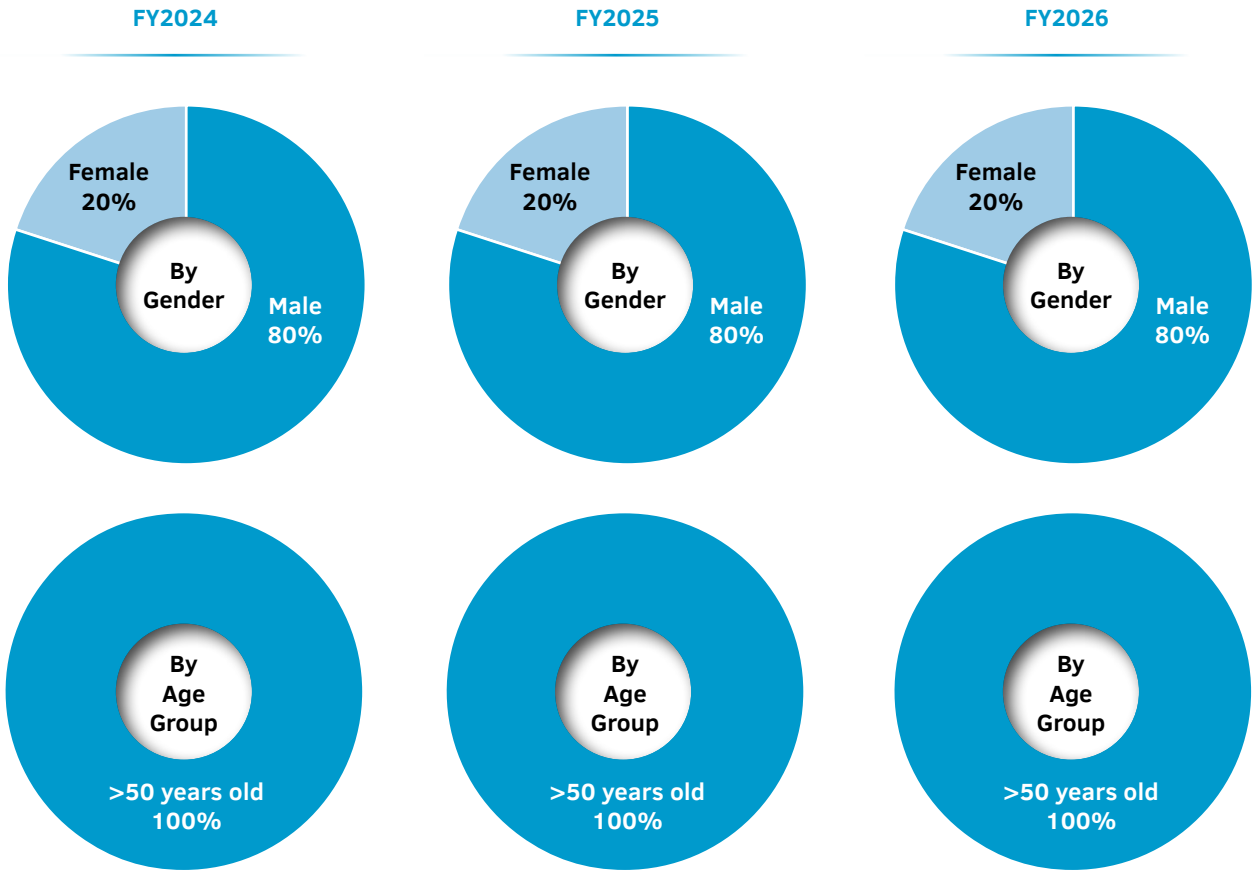
Focus Area	Perpetual Target	FY2026 Performance
Responsible Supply Chain Management	At least 50% of all purchases are sourced locally[10]	Achieved

DEVELOP AN ENGAGED WORKFORCE AND FAIR WORKPLACE

Sunright's Board Profile
[GRI 405-1]

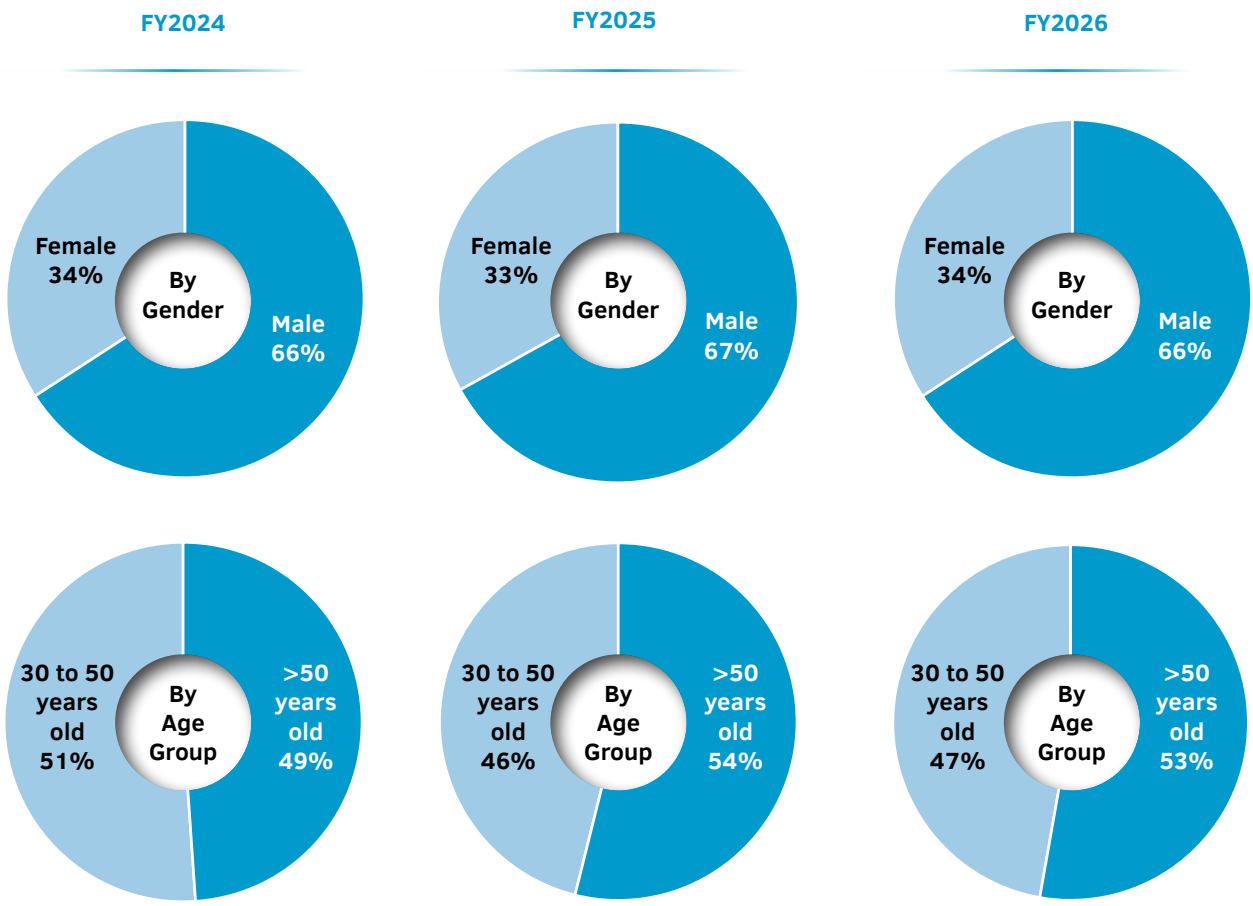
Sunright understands that diversity within an organisation is a strength, as employees of different backgrounds are able to bring new perspectives and viewpoints to a company. We also recognise that diversity has to be implemented at all levels, including at the highest level of governance: the Board and Senior Management.

Figure 8: Sunright's Board Composition



[10] Local purchases refer to purchases made (except for production machineries) from locally registered companies, which supply trade and non-trade goods and services.

Figure 9: Sunright's Senior Management Composition



For more information on board diversity and composition, please refer to our Corporate Governance Report.

Sunright's Employee and Worker Profile
[GRI 2-7, 2-8, 401-1]

In FY2026, Sunright's workforce comprised 757 employees and 741 workers across Singapore, Malaysia and China, reflecting minimal change in the number of employees and a 16% decrease in the number of workers from FY2025 to optimise workforce deployment across departments to meet operational requirements effectively.

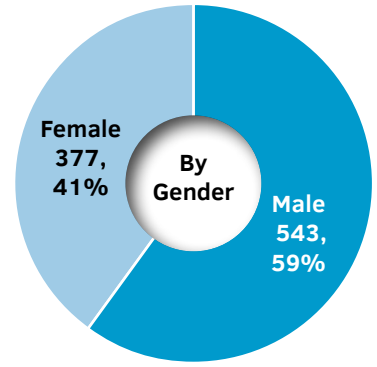
Sunright remains committed to developing our staff to their fullest potential, and we employ most of our staff under a permanent contract, with 100% of our staff working on a full-time basis. Having a diverse and inclusive workforce remains significant to Sunright's long-term prosperity, and we practise a meritocratic hiring policy, ensuring a well-balanced ratio of male and female staff.

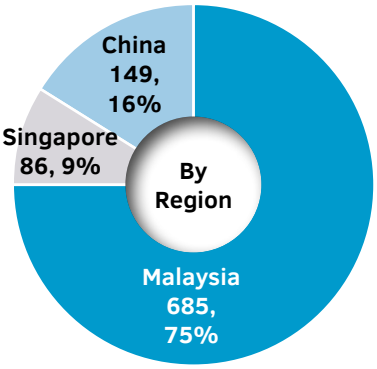
SUSTAINABILITY REPORT

The following charts show our employee demographics by gender and region and our worker demographics by employment category supporting Sunright's business activities.

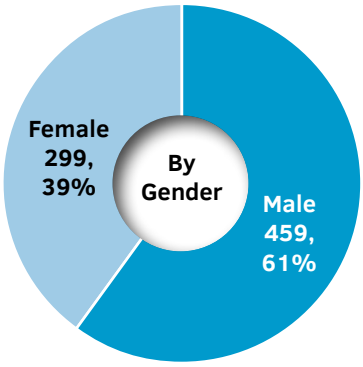
Figure 10: Sunright's Employee Demographics by Gender and Region

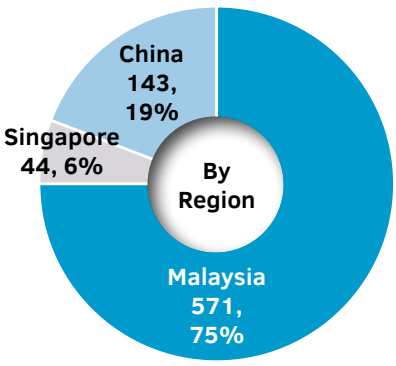
FY2024
Total: 920 Employees



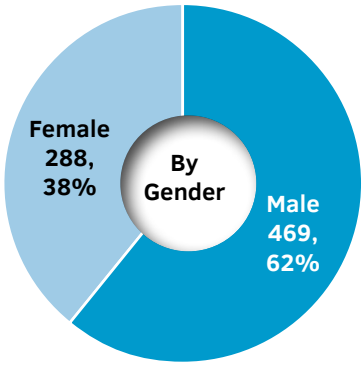


FY2025
Total: 758 Employees





FY2026
Total: 757 Employees



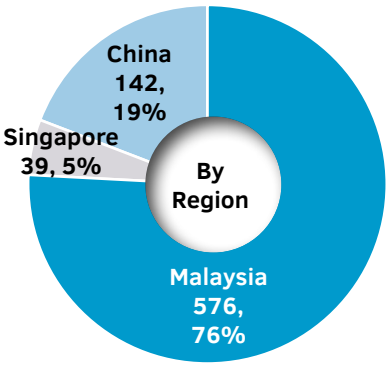


Table 8: Breakdown of employees by contract (permanent or temporary), gender and region

Region	FY2024					FY2025					FY2026				
	Employment Type				Total	Employment Type				Total	Employment Type				Total
	Permanent Contract		Temporary Contract			Permanent Contract		Temporary Contract			Permanent Contract		Temporary Contract		
	Male	Female	Male	Female		Male	Female	Male	Female		Male	Female	Male	Female	
Singapore	43	43	-	-	86	29	15	-	-	44	27	12	-	-	39
Malaysia	401	282	2	-	685	339	231	-	1	571	343	220	8	5	576
China	97	52	-	-	149	91	52	-	-	143	91	51	-	-	142
Total	541	377	-	-	920	459	298	-	-	758	461	283	8	5	757
	918		2			757		1			744		13		

Table 9: Breakdown of employees by employment type (full-time and part-time), gender and region

Region	FY2024					FY2025					FY2026				
	Employment Type				Total	Employment Type				Total	Employment Type				Total
	Full-Time		Part-Time			Full-Time		Part-Time			Full-Time		Part-Time		
	Male	Female	Male	Female		Male	Female	Male	Female		Male	Female	Male	Female	
Singapore	43	43	-	-	86	29	15	-	-	44	27	12	-	-	39
Malaysia	403	282	-	-	685	339	232	-	-	571	351	225	-	-	576
China	97	52	-	-	149	91	52	-	-	143	91	51	-	-	142
Total	543	377	-	-	920	459	299	-	-	758	469	288	-	-	757
	920		-			758		-			757		-		

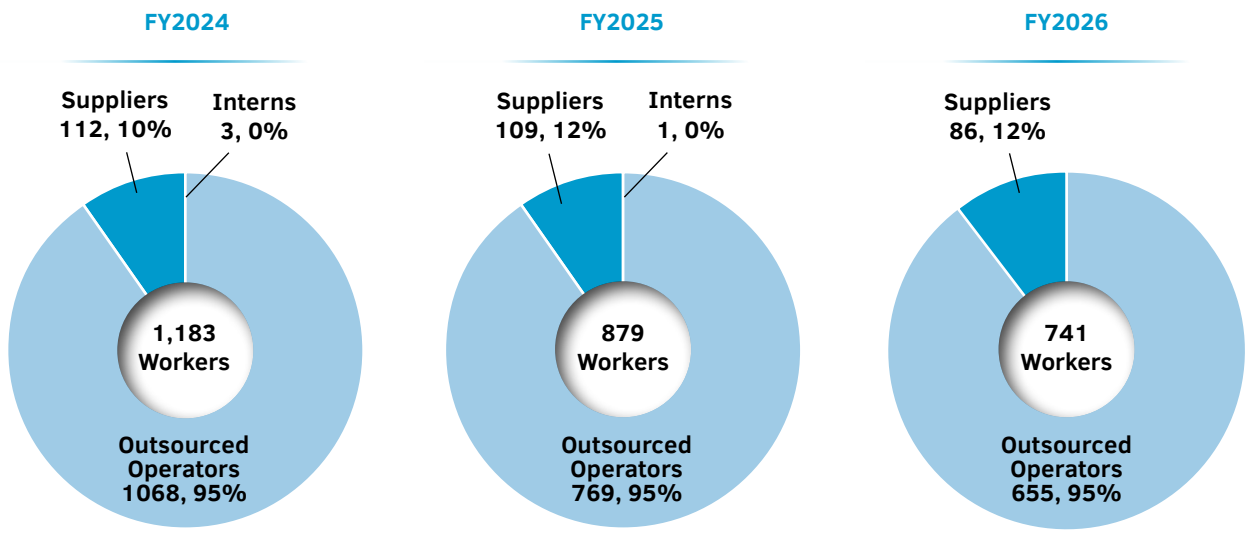
Table 10: Breakdown of employees by employee category, gender and age group

FY2026	Employee Category					
	Direct Labour		Exempt/Non-Exempt		Manager	
By Gender						
Male	31	20%	394	74%	44	64%
Female	121	80%	142	26%	25	36%
By Age Group						
< 30 years old	69	45%	142	26%	1	1%
30-50 years old	72	47%	310	58%	42	61%
> 50 years old	11	7%	84	16%	26	38%

FY2025	Employee Category					
	Direct Labour		Exempt/Non-Exempt		Manager	
By Gender						
Male	34	20%	380	73%	45	61%
Female	132	80%	138	27%	29	39%
By Age Group						
< 30 years old	81	49%	114	22%	2	3%
30-50 years old	76	46%	325	63%	40	54%
> 50 years old	9	5%	79	15%	32	43%

FY2024	Employee Category					
	Direct Labour		Exempt/Non-Exempt		Manager	
By Gender						
Male	61	25%	431	71%	51	66%
Female	179	75%	172	29%	26	34%
By Age Group						
< 30 years old	137	57%	160	27%	1	1%
30-50 years old	89	37%	375	62%	43	56%
> 50 years old	14	6%	68	11%	33	43%

Figure 11: Sunright's Worker Demographics



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Sunright strives to maintain a balanced employee profile across all demographic groups to the best of our ability. This is reflected in our hiring practices and our efforts at talent retention, as well as our workforce, new hires and turnover demographics, which reflect the results of these efforts.

In FY2026, we hired 233 new employees, with a turnover of 234 employees. Recognising the persistent uncertainty in the employment landscape, we remain vigilant in tracking market trends.

Figure 12: Total Number of New Hires by Gender, Age Group and Region

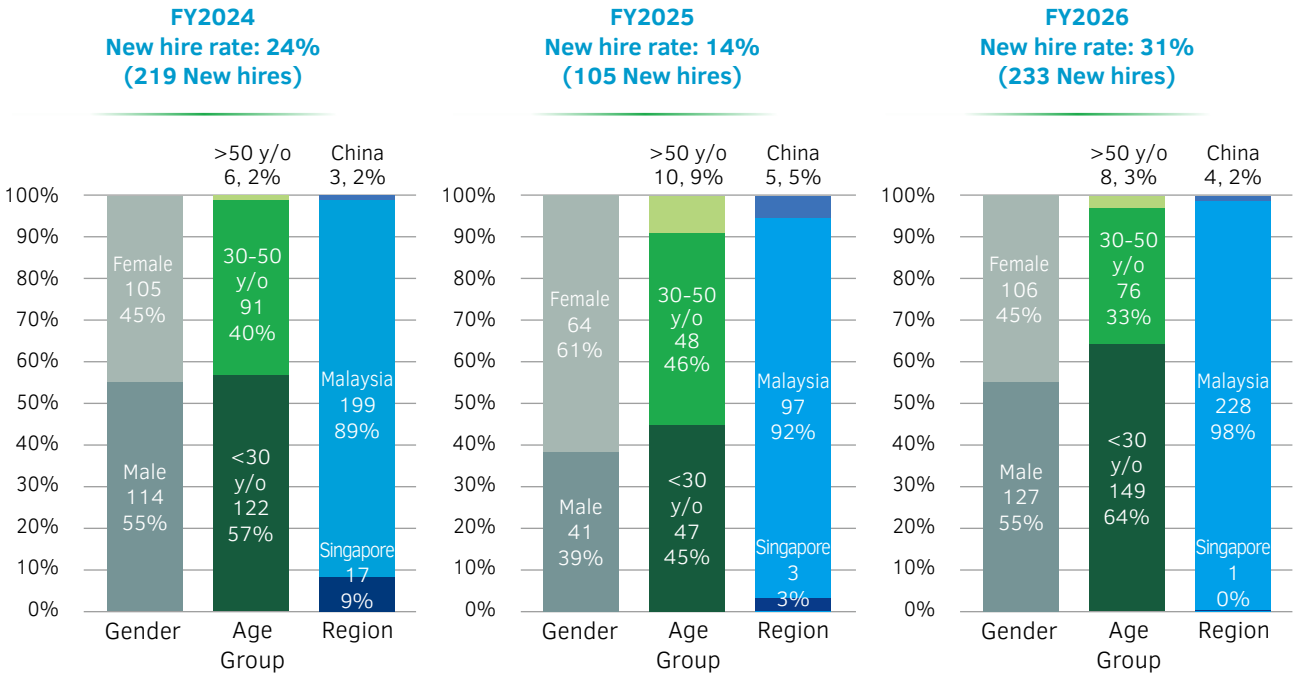
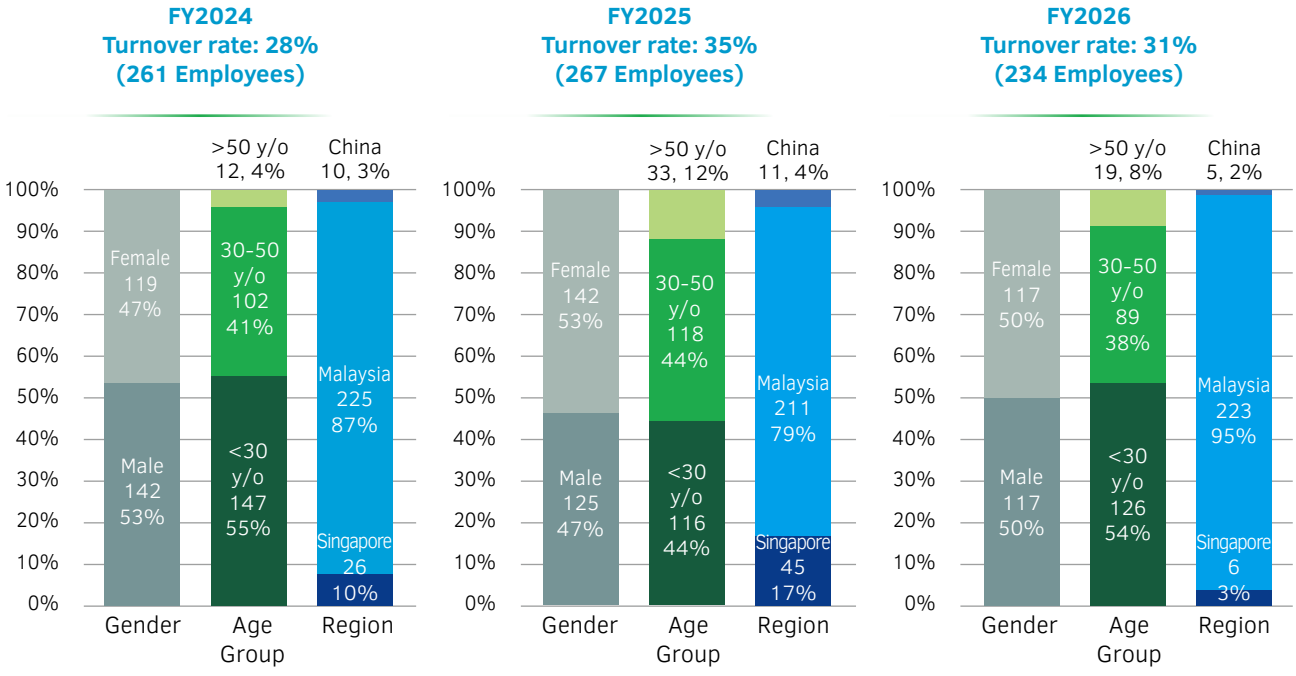


Figure 13: Total Number of Turnover by Gender, Age Group and Region



Fair Employment Practices
[GRI 3-3, 2-23, 2-24, 2-25, 2-26, 406-1]

Prioritising fair and equitable treatment, equal opportunities, competitive wages and fostering a positive work environment can result in a more engaged and productive workforce while contributing to societal development and a positive company reputation. Conversely, unfair employment practices such as labour exploitation or discrimination may result in workforce dissatisfaction, legal and reputational risks and violations of human rights. Sunright believes that fair employment practice is essential for the well-being of employees, the success of the company and its positive contributions to the broader society.

In this regard, Sunright recognises that our greatest asset is human capital. The collective skills and knowledge of our employees and workers are invaluable to us. As a result, it is of utmost priority to us to foster good relations with them. We strive to gather feedback from and understand the needs of our employees, allowing us to develop measures and policies with the goal of ensuring their continued physical and mental well-being. These policies are readily available and accessible to all employees in organisation-wide shared folders.

Sunright is a proponent of fairness within our organisation. Advancements and compensation within the company are governed by meritocratic policies. We have zero tolerance for the preferential treatment of our employees and commit to taking decisive action against any such practices in our organisation.

Table 11: Sunright's policies on fair employment and well-being of employees and workers

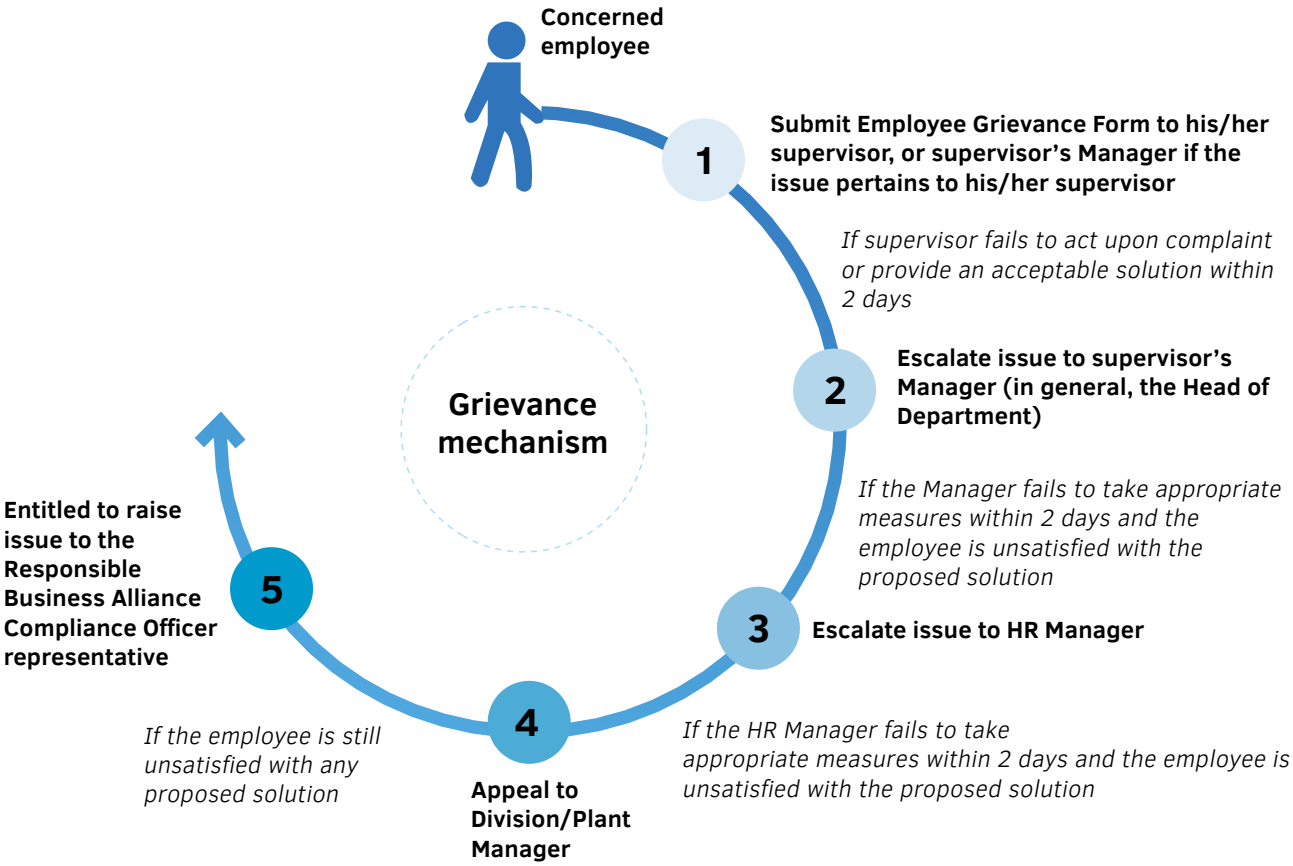
Name of Policy	Policy Description
Recruitment and Selection Policy 	Sunright's hiring practices are merit-based and non-discriminatory. Our recruitment policy covers the terms and conditions of the recruitment process, selection and placement of all qualified applicants and current employees. We do not condone any form of discrimination and race, colour, religion, gender, age, sexual orientation, gender identity and expression, ethnicity or national origin, covered veteran status, protected genetic information, disability, pregnancy, political affiliation, union membership and marital status.
Grievance Procedures/ Mechanism 	In line with our commitment to understanding employee concerns, all our employees are encouraged to voice their concerns through the feedback channels provided. Sunright also has in place a standardised grievance reporting mechanism that allows workers to report their grievances without fear of reprisal or retaliation. This mechanism covers both our employees and foreign workers, who are able to submit their concerns in their native language, and the HR department will seek the assistance of a translator for investigation and provision of solutions. Overall, this ensures that the case will be investigated promptly by our dedicated HR team that is specialised to deal with such matters.
Labour and Human Rights Standards 	Our commitment to ensure proper labour and human rights practices is in line with our CSR goals. We acknowledge the importance of ensuring a safe, conducive and healthy environment for our employees, customers, vendors and shareholders as part of our strategy and operating initiatives. We value the diversity of our workforce, freedom of expression and feedback provided by our employees. If employees have safety concerns regarding their work environment or they feel their workspace is not conducive for daily work and productivity, they are encouraged to immediately voice their concerns to their supervisor. Sunright has zero tolerance for racism, verbal abuse, discrimination and derogatory remarks. Our policy also firmly opposes child labour and forced labour with these principles embedded in our Code. Sunright prohibits all forms of forced labour including bonded labour, slave labour and prison labour. We also prohibit child labour, defined as employing anyone under the age of 15, below the age required to complete compulsory education, or under the country's minimum legal working age, whichever is highest. We expect the highest ethical standards from our employees and will not hesitate to suspend, dismiss or report employees found to be engaged in wrongdoings to the relevant authorities. This policy is also available in Mandarin Chinese for the ease of understanding and benefit of employees at our China facility. In FY2026, there were no substantiated complaints concerning human rights violations.

Name of Policy	Policy Description
Benefits Policy	We show appreciation to our employees by providing competitive pay, a healthy work-life balance and benefits. Our comprehensive benefits policy allotted to all our employees covers medical benefits, public holidays, service awards, annual salary reviews, gifts on occasions, etc.

Sunright prioritises fairness throughout all our operations, and as such, our fair employment practices also extend to our outsourced workers. Audits are conducted on a quarterly basis for any contractor that provides a large number of outsourced foreign workers to our operations; audits include a review of worker pay slips to ensure timely and fair compensation. Monthly audits are also conducted on the accommodations provided for our foreign workers by external vendors, and audit reports will be provided to Sunright upon request. No significant findings have been raised from these audits to date.

As part of our commitment to build a culture of ongoing feedback in Sunright, the HR department organises regular dialogue sessions to receive any grievances, concerns, feedback and suggestions raised by our employees and workers. Furthermore, as part of our formalised employee grievance mechanism (see Figure 14), employees who feel unfairly treated or are experiencing any workplace discrimination are encouraged to approach their supervisor or use our HR feedback channels, and issues raised may be escalated as necessary to ensure that they are fully resolved.

Figure 14: Sunright's Employee Grievance Mechanism



In FY2026, no substantiated complaints were received from our employees regarding unfair or discriminatory employment practices within Sunright.

Employee Engagement and Training
[GRI 404-1]

Sunright has instituted measures and activities to demonstrate appreciation to our staff as part of our commitment to employee welfare and well-being. We recognise that positive experiences at the workplace are more likely to positively impact employee productivity, work quality and retention.

We continue the "perfect attendance incentive" programme, whereby any employee in the production area with a perfect attendance record would be entered into a lucky draw for cash prizes and other rewards.

Sunright also understands the importance of allowing employees to upskill themselves and remain relevant. In FY2026, our employees underwent an average of 34 hours of training covering topics that develop their soft skills as well as technical topics on equipment and machinery safety, purchasing management and knowledge on the various ISO standards. The breakdown of the training hours can be found below.

Table 12: Breakdown of training hours by gender and employee category

	FY2024		FY2025		FY2026	
	Total training hours	Average training hours	Total training hours	Average training hours	Total training hours	Average training hours
By Gender						
Male	17,225	31.7	12,319	26.8	15,003	32.0
Female	13,007	34.5	9,693	32.4	10,600	36.8
By Employee Category						
Direct Labour	8,557	35.7	4,541	27.4	5,379	35.4
Exempt/ Non-Exempt	19,748	32.7	14,822	28.6	17,661	32.9
Manager	1,927	25.0	2,650	36.3	2,563	37.1

Our Training Department continues to hold training sessions for our operators and technicians. Ensuring the quality of our staff also helps to ensure that they deliver quality products and services to our customers.

Figure 15: Failure Mode and Effects Analysis (FMEA) Training for employees



Focus Area	Perpetual Target	FY2026 Performance
Fair Employment Practices	0 complaints from employees to regulatory authorities pertaining to unfair or discriminatory employment practices	Achieved
Employee Engagement and Training	Maintain a minimum of 20 training hours per employee each year	Achieved

PROTECTING THE ENVIRONMENT

Energy and Carbon Footprint
[GRI 3-3, 302-1, 302-3, 305-1, 305-2, 305-3, 305-4]

Efforts to prioritise energy efficiency and carbon reduction not only benefit the company through cost savings and regulatory compliance but also contributes to environmental conservation, climate change mitigation and sustainable development. However, the lack of adequate measures to manage our carbon footprint could result in environmental problems, including air pollution, which can also negatively impact local communities and human health.

In view of this, Sunright takes environmental stewardship as a duty seriously. With the rising global spotlight on climate issues, we view it as more important than ever to carry our business in an environmentally sustainable manner. Our operations are guided by the Environmental Management System (certified to ISO 14001:2015) as well as other local Energy Policies. Additionally, our expectations regarding certain environmental standards such as resource conservation, dealing with hazardous substances, wastewater and solid waste and air emissions are codified in our Code of Conduct.

In FY2026, total energy consumption comprised fuel consumption and electricity consumption, amounted to 253,953 GJ, a 3% increase from 245,427 GJ in FY2025. Of this total consumption, mobile combustion included mobile gasoline as the main fossil fuel used, along with a minimal amount of diesel and liquefied petroleum gas, accounted for 570 GJ in FY2026, an increase of 13% from the previous year due to increased consumption. The increase in electricity consumption by 3% to 253,383 GJ was primarily resulted from higher machine utilisation to support higher production level.

Figure 16: Sunright's Total Energy Consumption (GJ) and Intensity by revenue (GJ/SGD'000)

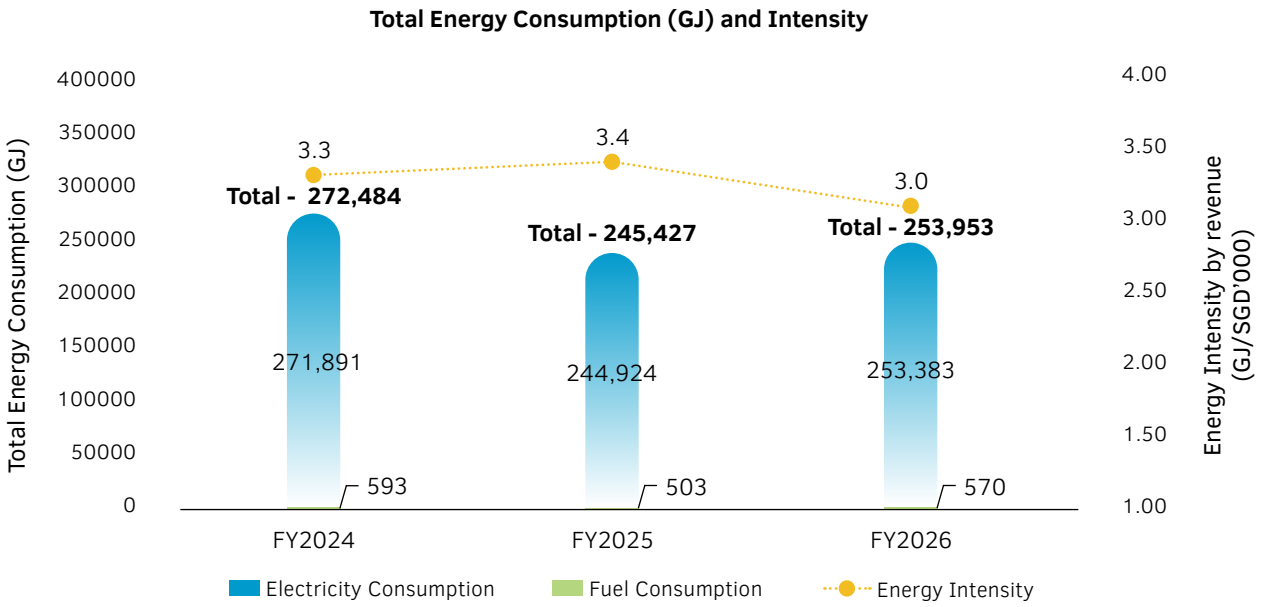


Figure 17: Sunright's Fuel Consumption from non-renewable sources

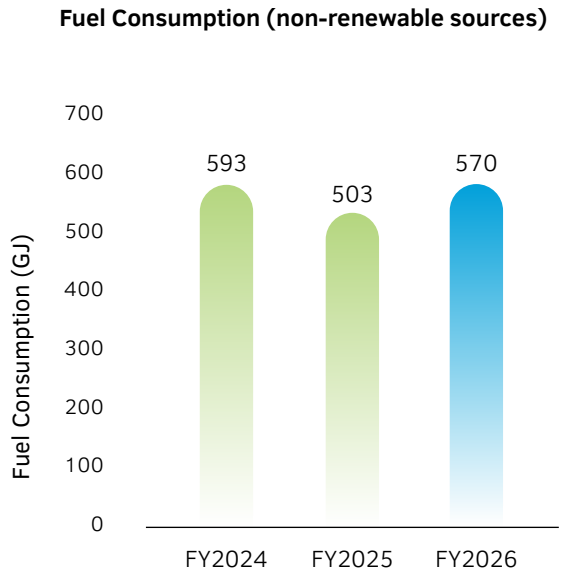


Figure 18: Sunright's Electricity Consumption

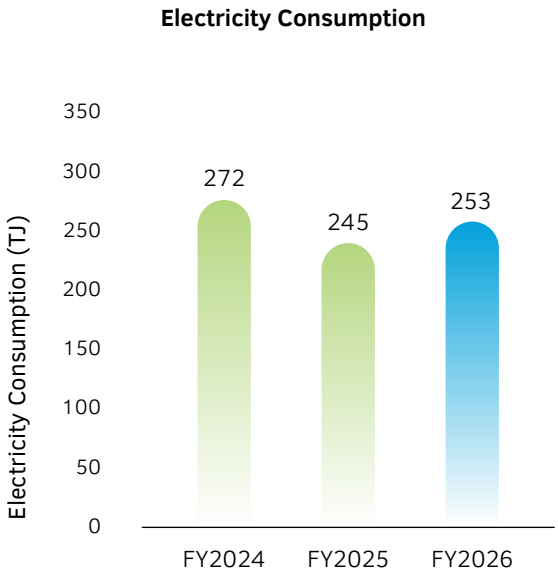


Figure 19: Sunright's Scope 1 Emissions[11] (tCO2e) and Scope 1 Intensity by revenue (tCO2e/SGD'million)

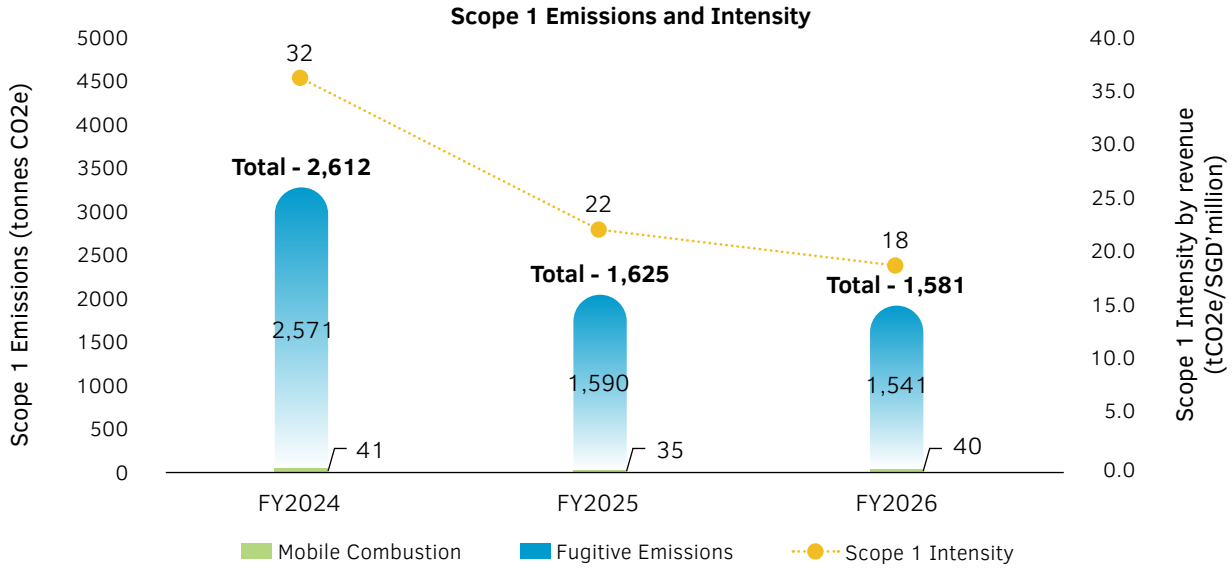
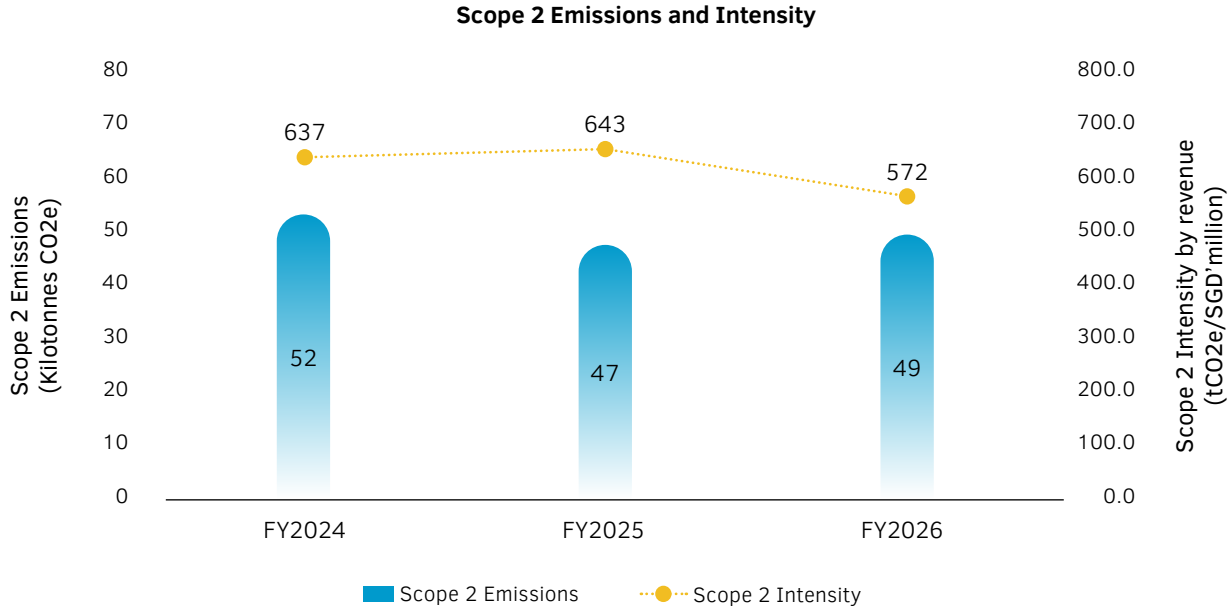


Figure 20: Sunright's Scope 2 (Indirect) Emissions (ktCO2e) and Scope 2 Intensity by revenue (tCO2e/SGD'million)



[11] Scope 1 fugitive emissions are due to leakage of other greenhouse gas from residential and commercial air conditioning including heat pumps, and medium and large commercial refrigeration.

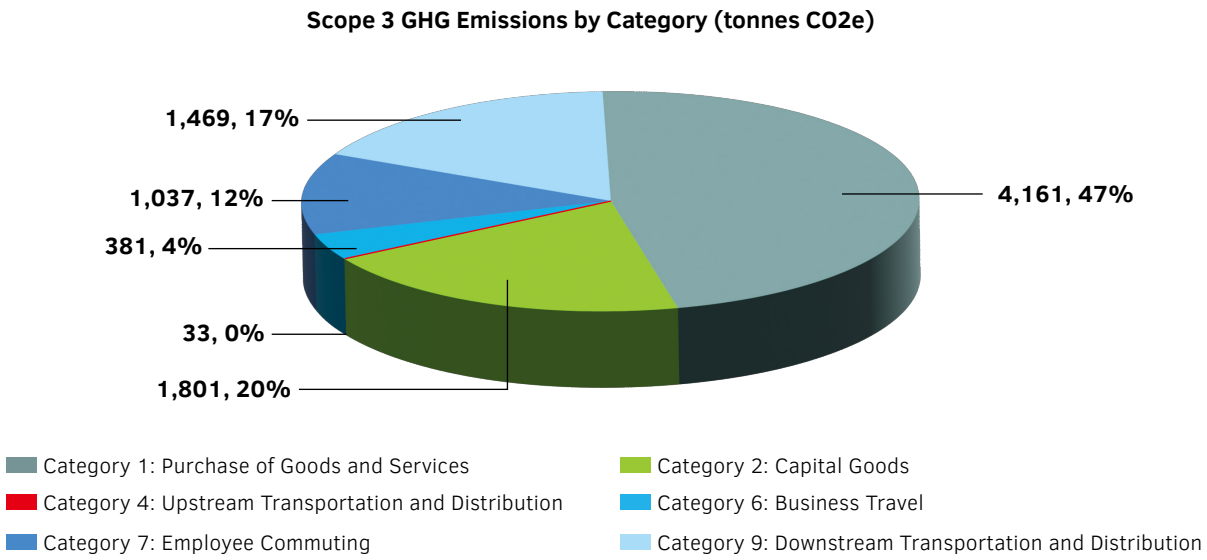
In FY2026, our Scope 1 emissions experienced a decline of 3%, bringing emissions down to 1,581 tonnes CO2e. The decrease was primarily driven by lower consumption of refrigerant gases. Scope 2 emissions increased by 4% to 49 kilotonnes CO2e, mainly due to higher production level and correspondingly, increase in electricity consumption across the operations. Furthermore, the decrease in intensity values was largely due to higher revenue generated as compared to prior year which improve the overall energy efficiency and operational productivity.

Scope 3 emissions encompass all indirect emissions resulting from both upstream and downstream activities within Sunright's value chain. By analysing these indirect value chain emissions, Sunright gains essential data that informs its decarbonisation efforts. This enables Sunright to identify the most significant emission sources within the value chain, prioritise areas for action, and develop targeted strategies for emission reduction.

Sunright had prioritised its Scope 3 inventorisation process by disclosing emissions under Category 1: Purchase of Goods and Services[12], Category 2: Capital Goods[13], Category 6: Business Travel – Air and Road[14] and Category 7: Employee Commuting[15]. This year, Sunright further enhanced its GHG emissions inventory by expanding its Scope 3 emissions coverage to include two more categories, Category 4: Upstream Transportation and Distribution and Category 9: Downstream Transportation and Distribution. This expansion provides a more comprehensive assessment of Sunright's value chain emissions and strengthens the completeness of our greenhouse gas reporting. Category 4 covers emissions from third-party transportation and distribution services purchased by Sunright, including the transportation of purchased goods from suppliers to Sunright's operations and other inbound and outbound logistics activities. Category 9 covers emissions from the transportation and distribution of Sunright's products after they are sold, where these services are not purchased by Sunright. These emissions occur after products leave Sunright's operational control and reflect the downstream transportation impacts across the value chain.

The total Scope 3 emissions for FY2026 from these six categories amounted to 8,882 tonnes CO2e, as outlined in the pie chart below. Moving forward, Sunright will continue to develop mechanisms to track and disclose other relevant Scope 3 categories.

Figure 21: Breakdown of Scope 3 GHG emissions by category for FY2026



[12] Category 1 includes all upstream emissions from the production of goods and services purchased by Sunright, such as tooling, office supplies and outsourced services. These emissions occur throughout the supply chain, from extraction to delivery.

[13] Category 2 accounts for the emissions from the production of capital goods. This refers to long-term assets such as machinery and equipment which are used in Sunright's operations over several years.

[14] Category 6 includes emissions resulting from the combustion of fuels used for the transportation of Sunright's employees for business-related activities in aircraft and vehicles. Examples include business flights between countries for client meetings and the use of taxis or ride-hailing services for transportation to client meetings.

[15] Category 7 captures the emissions associated with employee commutes between their homes and their worksites, determined by the mode of travel and commuting distance.

Table 13: Breakdown of Scope 3 GHG emissions (tonnes CO2e) by category[16]

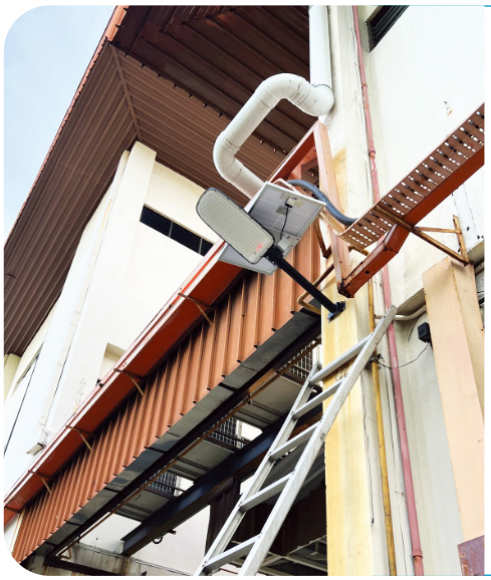
Scope 3 GHG Emissions (tonnes CO2e)	FY2024	FY2025	FY2026
Category 1: Purchase of Goods and Services	-	3,672	4,161
Category 2: Capital Goods	-	596	1,801
Category 4: Upstream transportation and distribution	-	-	33
Category 6: Business Travel	137	222	381
Category 7: Employee Commuting	1,119	1,049	1,037
Category 9: Downstream transportation and distribution	-	-	1,469
Total	**1,256**	**5,539**	**8,882**

Sunright will continue to closely monitor our energy consumption, perpetually nurturing a culture of energy conservation and the implementation of initiatives aimed at reducing our environmental footprint.

Focus Area	Perpetual Target	FY2026 Performance
Energy Consumption	2% reduction in year-on-year electricity consumption	4% increase[17]

In addition to our commitment to reducing energy consumption, Sunright is actively exploring the potential of affordable renewable energy sources in the country where we operate.

During the year, Sunright procured 1,740 MWh of renewable energy for one of our facilities in Malaysia through the Green Electricity Tariff program, an initiative by the Malaysian Government aimed at offering the choice of green electricity derived from renewable energy sources.



Installation of Solar-Powered Lightings at the Facility Compound

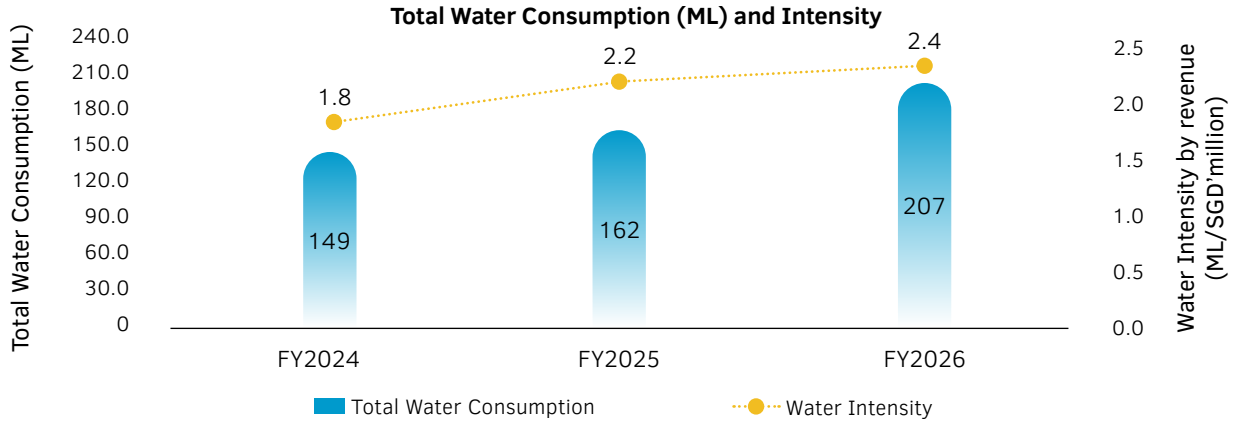
Sunright has recently installed 10 solar-powered lighting systems around the facility compound to utilise renewable energy and reduce reliance on grid electricity for outdoor lighting.

[16] Scope 3 emissions for Categories 1 and 2 are newly disclosed starting FY2025. In addition, Categories 4 and 9 are newly disclosed starting in FY2026. Hence, the Group is unable to obtain historical data due to data collection constraints from certain operations.

[17] The total energy consumption in FY2026 has been reduced by 24% since Sunright's first disclosure of total energy consumption in FY2018 being the base year.

Water Management
[GRI 303-1, 303-2, 303-5]

Sunright recognises the crucial relevance of water as a finite resource and the need to protect it for future generations. Our commitment to water management begins with the effective use of water in our operations and the promotion of a water-saving culture among our staff. We constantly monitor and analyse our water consumption to discover areas for improvement and to reduce our water impact.



The effluents discharged from our facilities typically include water used for cleaning and cooling. All of our facilities strictly adhere to the relevant local laws and regulations regarding effluent and wastewater discharge. We regularly send samples of the effluents discharged from our facilities to a third-party laboratory for testing. During the year, we fully complied with all local regulatory requirements in Singapore[18], Malaysia[19] and China[20].

METHODOLOGY

This section details definitions, methodologies and data boundaries otherwise not already specified, applied to the sustainability performance data disclosed in our Sustainability Report. They are made with reference to GRI Standards Glossary 2021, internationally recognised standards and the reporting guidance set out in the respective GRI topic-specific disclosures. The GRI topic-specific disclosures covered are listed out in the GRI Content Index of this report.

Employee and Worker

Employee is defined as an individual who is in an employment relationship with the Group, according to its national law. Sunright's employee profile can be broadly broken down by employee level as defined below:

Direct Labour: Operators and inspectors
Exempt/Non-Exempt: Technicians and executives
Manager: All levels of managers including senior management and above
Senior Management: Head of Departments and above

Worker is defined as an individual whose work, or workplace, is controlled by the Group. Sunright's workers include outsourced operators and suppliers (including outsourced service providers), such as cleaners, who are directly involved in daily production activities.

[18] Singapore's Sewerage and Drainage (Trade Effluent) Regulations
[19] Malaysia's Standard B under Environmental Quality (Industrial Effluents) Regulations 2009
[20] China's Integrated Wastewater Discharge Standard (GB8978-1996)

Employee New Hire and Turnover

The rate of new hires takes the total number of new hires over the total number of employees as at 31 July 2026, expressed as a percentage. Likewise, the rate of turnover takes the total number of turnovers over the total number of employees as at 31 July 2026, expressed as a percentage.

Training Hours

Average training hours per employee takes the total training hours for the financial year over the total number of employees recorded as at 31 July 2026.

Occupational Health and Safety

According to the International Labour Organisation, an occupational accident is an unexpected and unplanned occurrence, including acts of violence, arising out of or in connection with work which results in one or more workers incurring a personal injury, disease or death. The coverage for occupational accident cases includes employees and workers at all Sunright operations.

With reference to GRI 403: Occupational Health and Safety Standard as well as Singapore's Ministry of Manpower Guidelines, the different types of occupational accidents are defined as follows:

- High consequence work-related injuries are work-related injuries that result in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.
- Work-related injury is an injury that results in any of the following: death, days away from work, hospitalisation, medical treatment beyond first aid, or loss of consciousness.
- Work-related ill-health indicates damage to health and includes diseases, illnesses and disorders.

Recordable work-related injury rates and recordable high consequence work-related injury rates are calculated based on 1,000,000 hours worked, using the formula of the total number of injuries divided by the number of hours worked multiplied by 1,000,000. Lost time injury rate accounts for incidents that resulted in at least one day of missed work calculated based on 1,000,000 hours worked. The number of hours worked refers to the total estimated working hours based on standard hours of work, taking into account entitlements to periods of paid leave of absence from work.

Non-compliance Incidents

Such incidents refer to non-compliance with social, economic and environmental laws and/or regulations applicable to the Group, brought through dispute resolution mechanisms and/or resulting in:

- Significant fines
- Non-monetary sanctions

Energy Consumption and Greenhouse Gas Emission Data

Energy consumption and GHG emissions data of Sunright Group cover the consumption of Sunright operations in Singapore, Malaysia and China. The total energy consumption is expressed in joules ("J") or multiples while emissions are expressed in tonnes of carbon dioxide equivalents ("tonnes CO2e" or "tCO2e") or multiples for Scope 1 and 2 emissions respectively.

For petrol, diesel and liquefied petroleum gas, CO2, methane ("CH4") and nitrous oxide ("N2O") were included in the GHG calculation. Default emissions factors were sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories while the global warming potential ("GWP") values were sourced from the 2020 IPCC Sixth Assessment Report ("AR6") for relevant gases disclosed.

The Electricity Grid Emissions Factors ("GEF") used in the calculation of Scope 2 emissions for FY2026, FY2025 and FY2024 have been obtained from the latest Singapore Energy Statistics ("SES"), the Energy Market Authority's ("EMA") annual publication on energy statistics in Singapore, at the time of publication. Similarly, the GEFs used for operations in Malaysia and China were obtained from the Institute for Global Environmental Strategies ("IGES") database, also at the time of publication.

The following table details the GEF values (in kgCO2/kWh) used for the relevant geographies:

	FY2024	FY2025	FY2026	Source
Singapore	0.4168	0.4120	0.4020	EMA, Singapore Grid Emission Factor, last updated for 2024
Malaysia	0.6448	0.6448	0.6448	Institute for Global Environmental Strategies 2026 database, last updated for 2017
China	0.9714	0.9350	0.9531	Institute for Global Environmental Strategies 2026 database for China (North China Grid), last updated for 2024

Sunright commenced the process of developing its Scope 3 inventory in accordance with the GHG Protocol methodology since 2024 and the remaining Scope 3 categories are not disclosed due to current data availability. The definitions for the reported categories are:

- **Category 1 Purchase of Goods and Services:** Emissions from extraction, production and transportation of goods and services purchased or acquired by the reporting company during the reporting year excluding those accounted for in categories 2 to 8.
    - Methodologies used and assumptions made: Spend-based method. Purchases made by Sunright during the reporting year which are not covered in other Scope 3 categories. Each transaction was mapped to the corresponding North American Industry Classification System ("NAICS") code and its associated emission factor. The emission factor was further adjusted using compound inflation rate ("CIR") from 2022 to the current year.
    - Source of NAICS code and emission factors: Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6 (U.S. Environmental Protection Agency, 2022)
    - Source of inflation rate: Consumer Price Index (U.S. Bureau of Labor Statistics, 2026)
- **Category 2 Capital Goods:** Emissions from extraction, production and transportation of capital goods purchased or acquired by the reporting company in the reporting year.
    - Methodologies used and assumptions made: Spend-based method. Capital goods purchased during the year were mapped to the corresponding NAICS code and its associated emission factor. The emission factor was further adjusted using CIR from 2022 to current year.
    - Source of NAICS code and emission factors: Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6 (U.S. Environmental Protection Agency, 2022)
    - Source of inflation rate: Consumer Price Index (U.S. Bureau of Labor Statistics, 2026)
- **Category 4 Upstream Transportation and Distribution:** Emissions from transportation and distribution of products purchased in the reporting year, including transportation and distribution services purchased for inbound and outbound logistics.
    - Methodologies used and assumptions made: Spend-based method. Transportation and distribution of products purchased during the year were mapped to the corresponding NAICS code and its associated emission factor. The emission factor was further adjusted using CIR from 2022 to current year.
    - Source of NAICS code and emission factors: Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6 (U.S. Environmental Protection Agency, 2022)
    - Source of inflation rate: Consumer Price Index (US Bureau of Labor Statistics, 2026)

- **Category 6 Business Travel:** Emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses and passenger cars.

    - Methodologies used and assumptions made: Distance-based method for air travel and Spend-based method for road travel.
    - Source of emission factors:
        - For air travel: UK Government GHG Conversion Factors for Company Reporting 2026 (UK Department for Energy Security and Net Zero, 2026)
        - For road travel: GHG Emission Factors Hub (U.S. Environmental Protection Agency, 2025)

- **Category 7 Employee Commuting:** Emissions from the transportation of employees between their homes and their worksites.

    - Methodologies used and assumptions made: Distance-based method. Distance travelled is assumed to be the distance between employees' homes and their worksites. Mode of transportation taken by employees is derived from an employee survey.
    - Source of emission factors: UK Government GHG Conversion Factors for Company Reporting 2026 (UK Department for Energy Security and Net Zero, 2026)

- **Category 9 Downstream Transportation and Distribution:** Emissions that occur in the reporting year from transportation and distribution of sold products in vehicles and facilities not owned or controlled by the reporting company, where the transportation and distribution costs are not paid or borne by the reporting company.

    - Methodologies used and assumptions made: Distance-based method. Distance travelled is assumed to be the distance between the destination of the sold product in vehicles and facilities not owned or controlled by the reporting company and the end consumer.
    - Source of GHG conversion factors: UK Government GHG Conversion Factors for Company Reporting 2026 (UK Department for Energy Security and Net Zero, 2026)

Energy and GHG Emission Intensity Ratios

Energy and GHG emission intensity ratios are expressed in tCO2e / revenue or multiples. The organisation-specific metric (the denominator) used was revenue. The type of energy included in the intensity ratio only includes fuel and electricity consumption within the organisation while the type of GHG emissions included in the intensity ratios only includes Scope 1 and 2 emissions.

Water Consumption

Water consumption data for Sunright covers our operations in Singapore, Malaysia and China. The total water consumption is expressed in megalitres, while water consumption intensity is measured in revenue or multiples.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

Statement of use	Sunright has reported in accordance with the GRI Standards for the period from 1 August 2025 to 31 July 2026.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No applicable sector standards

Disclosure		Reference(s) or Reasons for Omission
Material Topic: General Disclosures		
Organisational Profile		
2-1	Organisational details	About Sunright Limited (page 10)
2-2	Entities included in the organisation's sustainability reporting	About the Report (pages 10-11)
2-3	Reporting period, frequency and contact point	About the Report (pages 10-11)
2-4	Restatements of information	Not applicable
2-5	External assurance	About the Report (pages 10-11)
2-6	Activities, value chain and other business relationships	About Sunright Limited (page 10) and Managing Supply Chains Responsibly (pages 27-28)
2-7	Employees	Sunright's Employee and Worker Profile (pages 29-33)
2-8	Workers who are not employees	Sunright's Employee and Worker Profile (pages 29-33)
2-9	Governance structure and composition	Corporate Governance Report (pages 57-76)
2-10	Nomination and selection of the highest governance body	Corporate Governance Report (pages 57-76)
2-11	Chair of the highest governance body	Corporate Governance Report (pages 57-76)
2-12	Role of the highest governance body in overseeing the management of impacts	Our Sustainability Commitment and Governance (page 11)
2-13	Delegation of responsibility for managing impacts	Our Sustainability Commitment and Governance (page 11)
2-14	Role of the highest governance body in sustainability reporting	Our Sustainability Commitment and Governance (page 11)
2-15	Conflicts of interest	Corporate Governance Report (pages 57-76)
2-16	Communication of critical concerns	0 substantiated cases reported. Our Sustainability Commitment and Governance (page 11)
2-17	Collective knowledge of the highest governance body	Our Sustainability Commitment and Governance (page 11)
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report (pages 57-76) Management has introduced the evaluation form to the Board and the evaluation will be conducted on an annual basis.

Disclosure		Reference(s) or Reasons for Omission
2-19	Remuneration policies	Corporate Governance Report (pages 57-76) However, current remuneration policies do not incorporate the objectives and performance of governance bodies in relation to the management of the organisation's impacts on the economy, environment, and people.
2-20	Process to determine remuneration	Corporate Governance Report (pages 57-76)
2-21	Annual total compensation ratio	Sunright is unable to disclose the information due to confidentiality constraints.
2-22	Statement on sustainable development strategy	Board Statement (page 10)
2-23	Policy commitments	Upholding Corporate Governance and Building an Ethical Culture (pages 20-23) and Fair Employment Practices (pages 34-35)
2-24	Embedding policy commitments	Upholding Corporate Governance and Building an Ethical Culture (pages 20-23) and Fair Employment Practices (pages 34-35)
2-25	Processes to remediate negative impacts	Fair Employment Practices (pages 34-35)
2-26	Mechanisms for seeking advice and raising concerns	Fair Employment Practices (pages 34-35)
2-27	Compliance with laws and regulations	Ensuring Strict Compliance with Applicable Laws and Regulations (page 19)
2-28	Membership associations	Singapore Business Federation, Singapore Manufacturing Federation, Malaysian Employers Federation, The Free Trade Zone, Penang Companies' Association
2-29	Approach to stakeholder engagement	Stakeholder Engagement (pages 12-13)
2-30	Collective bargaining agreements	None of our employees are covered by collective bargaining agreements. Nonetheless, our employees in China are covered under the All-China Federation of Trade Unions ("ACFTU"), a national federation of work organisations that represents the interests and safeguards the rights of workers in China. Sunright respects the rights of its employees to join or form a labour union.
Material Topic: Management Approach		
3-1	Process to determine material topics	Materiality Assessment (pages 13-14)
3-2	List of material topics	Materiality Assessment (pages 13-14)
Material Topic: Ethical Business Conduct		
Anti-corruption		
3-3	Management of material topics	Upholding Corporate Governance and Building an Ethical Culture (pages 20-23)
205-1	Operations assessed for risks related to corruption	Upholding Corporate Governance and Building an Ethical Culture (pages 20-23)

SUSTAINABILITY REPORT

Disclosure		Reference(s) or Reasons for Omission
205-2	Communication and training about anti-corruption policies and procedures	Upholding Corporate Governance and Building an Ethical Culture (pages 20-23)
205-3	Confirmed incidents of corruption and actions taken	Upholding Corporate Governance and Building an Ethical Culture (pages 20-23)
Material Topic: Regulatory Compliance		
General Disclosures - Compliance		
3-3	Management of material topics	Ensuring Strict Compliance with Applicable Laws and Regulations (page 19)
2-27	Compliance with environmental laws and regulations	Ensuring Strict Compliance with Applicable Laws and Regulations (page 19)
Material Topic: Economic Performance		
Economic Performance and Procurement Practices		
3-3	Management of material topics	Sustaining Economic Performance (page 24)
201-1	Direct economic value generated and distributed	Contributing Direct Economic Value (pages 24-25)
204-1	Proportion of spending on local suppliers	Managing Supply Chains Responsibly (pages 27-28)
Material Topic: Fair Employment Practices		
Employment and Non-discrimination		
3-3	Management of material topics	Fair Employment Practices (pages 34-35)
401-1	New employee hire and employee turnover	Sunright's Employee and Worker Profile (pages 29-33)
404-1	Average hours of training per year per employee	Employee Engagement and Training (pages 36-37)
405-1	Diversity of governance bodies and employees	Sunright's Board Profile (pages 28-29)
406-1	Incidents of discrimination and corrective actions taken	Fair Employment Practices (pages 34-35)
Material Topic: Energy and Carbon Footprint		
Energy Consumption and Emissions		
3-3	Management of material topics	Energy and Carbon Footprint (pages 37-41)
302-1	Energy consumption within the organisation	Energy and Carbon Footprint (pages 37-41)
302-3	Energy intensity	Energy and Carbon Footprint (pages 37-41)
305-1	Direct (Scope 1) GHG emissions	Energy and Carbon Footprint (pages 37-41)
305-2	Energy indirect (Scope 2) GHG emissions	Energy and Carbon Footprint (pages 37-41)
305-3	Other indirect (Scope 3) GHG emissions	Energy and Carbon Footprint (pages 37-41)
305-4	GHG emissions intensity	Energy and Carbon Footprint (pages 37-41)

SUSTAINABILITY REPORT

Disclosure		Reference(s) or Reasons for Omission
Additional Topic: Water Management		
Water and Effluents (2018)		
303-1	Interactions with water as a shared resource	Water Management (page 42)
303-2	Management of water discharge-related impacts	Water Management (page 42)
303-5	Water consumption	Water Management (page 42)
Material Topic: Occupational Health and Safety		
Occupational Health and Safety (2018)		
3-3	Management of material topics	Fostering a Safety Culture (pages 15-19)
403-1	Occupational health and safety management system	Fostering a Safety Culture (pages 15-19)
403-2	Hazard identification, risk assessment, and incident investigation	Fostering a Safety Culture (pages 15-19)
403-3	Occupational health services	Fostering a Safety Culture (pages 15-19)
403-4	Worker participation, consultation, and communication on occupational health and safety	Fostering a Safety Culture (pages 15-19)
403-5	Worker training on occupational health and safety	Fostering a Safety Culture (pages 15-19)
403-6	Promotion of worker health	Fostering a Safety Culture (pages 15-19)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Fostering a Safety Culture (pages 15-19)
403-9	Work-related injuries	Fostering a Safety Culture (pages 15-19)
403-10	Work-related ill-health	Fostering a Safety Culture (pages 15-19)
Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy and Security (page 24)

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") CONTENT INDEX

Sunright extended effort in environmental sustainability by addressing climate-related risks and opportunities in this year's Sustainability Report. We strive to update disclosures with reference to the TCFD recommendations through a phased approach.

TCFD Recommendations	Our Approach	Page Reference
Governance: **Disclose organisation's governance around climate-related risks and opportunities**		
Describe the Board's oversight of climate-related risks and opportunities	The Board assisted by the Audit and Risk Committee ("ARC"), oversees the Group's risk management and internal control systems, while the business unit management identifies and assesses the material risks faced by the Group as well as the design, implementation and monitoring of suitable internal controls to manage and mitigate these risks. The Board recognises its obligation to maintain a sound risk management framework and internal control systems, which includes developing an adequate risk management and control framework and periodically reviewing its effectiveness, appropriateness and integrity. The Group has put in place a structure with formally defined lines of responsibility and delegation of authority. A process of hierarchical reporting has been established, which provides for a documented and auditable trail of accountability. The Group's internal control procedures also encompass a series of standard operating practice manuals and business process manuals, which serve as guidance for proper measures to be undertaken, and are subject to regular review, enhancement and improvement.	Our Sustainability Commitment and Governance (page 11) Corporate Governance Report (pages 57-76)
Describe management's role in assessing and managing climate-related risks and opportunities		
Strategy: **Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material**		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	As guided by SGX's recommended phased implementation approach, Sunright has begun conducting and incorporating climate scenario analysis into its climate reporting framework. For financial year ended 31 July 2026, Sunright's analysis focuses on two climate pathways: the Net Zero Emissions Scenario and the Business-as-Usual Scenario. These scenarios primarily reference the IPCC's Representative Concentration Pathways (RCPs) for physical risk assessment and the Shared Socioeconomic Pathways (SSPs) for transition risk assessment. The Net Zero and Business-as-Usual pathways were selected to provide Sunright with a comprehensive understanding of potential impacts, allowing the group to prepare for both best and worst-case outcomes related to physical and transition risks. The IPCC's RCPs and SSPs are globally recognised and widely used for mapping potential climate pathways and socioeconomic developments. Through this qualitative climate scenario analysis, Sunright aims to assess the company's resilience to climate change across the aforementioned time horizons, ensuring that it remains agile in addressing future climate challenges.	

<table>
<tr><th>TCFD Recommendations</th><th>Our Approach</th><th>Page Reference</th></tr>
<tr><td>Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning</td><td>
Summary of the climate scenario analysis parameters used:
<table>
<tr><th></th><th>Net Zero Scenario
Warming of 2°C or lower by the year 2100</th><th>Business-as-Usual
Warming of >4°C by the year 2100</th></tr>
<tr><td>Brief description of the scenarios</td><td>In this scenario, the world actively addresses climate change by drastically reducing greenhouse gas emissions. This is achieved through widespread adoption of renewable energy, increased energy efficiency and cutting-edge sustainable technologies. Countries collaborate to reach net zero emissions by the latter half of the century, ensuring a sustainable balance between the emissions produced and those removed from the atmosphere, leading to a more sustainable and climate-resilient world.</td><td>In this scenario, the world continues its current growth-focused path with a strong reliance on fossil fuels, leading to high greenhouse gas emissions. Technological progress and improvements in health and education occur, but these developments do not significantly reduce the environmental impact. This results in a sharp rise in atmospheric carbon dioxide levels, causing severe climate change with extreme weather, higher temperatures and widespread ecological disruption, posing serious challenges to life on Earth.</td></tr>
<tr><td>Climate scenarios used</td><td>• IPCC RCP 2.6
• IPCC SSP1-2.6</td><td>• IPCC RCP 8.5
• IPCC SSP5-8.5</td></tr>
<tr><td>Time horizons</td><td colspan="2">• Short-term: 2027. Selected to align with business planning cycles and near-term operational risks.
• Medium-term: 2030. Aligns with key regulatory and transition milestones, including national and sectoral decarbonisation targets.
• Long-term: 2050. Anchored to global net-zero goals and widely adopted by peers and industries as a standard horizon for strategic climate resilience</td></tr>
<tr><td>Countries</td><td colspan="2">Singapore, Malaysia and China</td></tr>
</table>
</td><td></td></tr>
</table>

TCFD Recommendations	Our Approach	Page Reference

The table below highlights the climate-related risks and opportunities most material to Sunright. A phased approach will be adopted to disclose more details and quantifiable impacts on the identified climate-related risks, opportunities and relevant mitigation measures in subsequent reports.

Transition Risks

Transition risks are generally associated to the transition to a low-carbon economy, which might involve governmental changes, disruptive technological advances and changes in customer and investor preferences.

Risk Type	Risk Description	Potential Impacts	Time horizon & potential financial impact level across the climate scenario		Adaptation or Mitigation Measures	Risk Concentration in Business Model & Value Chain
			Net Zero	Business-as-Usual		
Policy and legal	Current and emerging climate-reporting regulations for listed firms	Increased resources and costs to implement processes to ensure compliance with climate-reporting regulations.	Medium term Long term	Medium term Long term	Continue to work closely with the stakeholders and consultants to keep abreast of all sustainability reporting developments and regulations.	The concentration of this risk is in Sunright's operations in Malaysia and China, where increasing climate-related reporting and regulatory requirements are most likely to impact costs and compliance obligations, particularly being a company listed on the Mainboard of the Singapore Exchange Limited.

Potential financial impact level:
Low Medium High

TCFD Recommendations	Our Approach	Page Reference

Risk Type	Risk Description	Potential Impacts	Time horizon & potential financial impact level across the climate scenario		Adaptation or Mitigation Measures	Risk Concentration in Business Model & Value Chain
			Net Zero	Business-as-Usual		
Reputation	Increasing stakeholder expectations in relation to climate change and emissions	Failure to meet the increasing stakeholder expectations in relation to climate change and emissions may pose a reputational risk, potentially leading to diminished investor confidence, reduced company valuations and challenges in retaining skilled workforce.	Medium term Long term	Medium term Long term	Engage key stakeholders, including customers and investors to understand and address their concerns to meet or exceed their ESG expectations.	This risk is concentrated on Sunright's customer, particularly multinational clients and investor relations where expectations for credible ESG performance and disclosure are highest.

Potential financial impact level:
Low Medium High

TCFD Recommendations	Our Approach	Page Reference

Physical Risks

Arising from the impact of weather events and widespread environmental changes, physical risks can include increased severity and variability of extreme weather events such as rising sea levels and changes in temperature and precipitation patterns.

Risk Type	Risk Description	Potential Impacts	Time horizon & potential financial impact level across the climate scenario		Adaptation or Mitigation Measures	Risk Concentration in Business Model & Value Chain
			Net Zero	Business-as-Usual		
Acute	Increased intensity and frequency of storms and floods	Physical damage or impairment of assets	Medium term	Medium term	Conduct regular maintenance and enhancement of infrastructure	This risk is concentrated in Sunright's facilities and supporting infrastructure in Malaysia and China, where extreme weather events such as storms and floods could damage assets and disrupt operations.
		Increased insurance costs	Long term	Long term	Review insurance coverage	
Chronic	Change in average temperature	Increased cooling demand for production facilities	Medium term	Medium term	Regular maintenance of air conditioning systems	This risk is concentrated in Sunright's operations in Malaysia and China, where higher average temperatures drive cooling demand for facilities.
			Long term	Long term	Explore additional measures to minimise heat absorption of buildings or more efficient air conditioning systems	

Potential financial impact level:
Low Medium High

Climate-related opportunities

Sunright acknowledges that with climate-related risks also come valuable opportunities. The Group can capitalise on these opportunities by focusing on two key areas: energy efficiency and resource efficiency.

By implementing energy management systems and adopting energy-efficient technologies, Sunright can significantly cut operational costs due to lower energy use, while also reducing greenhouse gas (GHG) emissions.

Optimising the use of resources across the supply chain and within manufacturing processes can lead to emission reductions and heightened operational efficiency. Streamlining these processes using 'Avoid-Reduce-Substitute' framework allows Sunright to decrease production costs and minimise waste, yielding better financial benefits.

TCFD Recommendations	Our Approach	Page Reference
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Qualitative climate scenario analysis offers Sunright Group a wide-ranging view of how climate change could affect their operations, considering various assumptions and projections. For instance, Singapore's Third National Climate Change Study's latest results for regional climate change projections outline expected changes in weather patterns under different scenarios. In particular, rainfall on annual and seasonal timescales is projected to increase under all climate scenarios. The largest projected increase is associated with the Business-as-Usual Scenario which indicates that the average annual total rainfall within the Southeast Asia region is projected to increase by up to 13.4%. On the other hand, the Net Zero Emissions Scenario suggests that the annual total rainfall within the Southeast Asia region is projected to increase by up to 5.5%. Transition risks, like carbon pricing, also vary by scenario. In Asia, prices could jump by 2030 and again by 2050 in a Net Zero Emissions Scenario, affecting operational costs. In contrast, the Business-as-Usual Scenario foresees a slower rise in carbon pricing, with a minimal cost impact. As Sunright Group advances towards detailed assessment, we aim to gain a clearer understanding of our business resilience in the face of diverse climate scenarios.	
Risk management: **Describe how the organisation identifies, assesses and manages climate-related risks**		
Describe the organisation's processes for identifying and assessing climate-related risks	The Group has an Enterprise Risk Management ("ERM") framework that guides the identification, evaluation and management of significant risks faced by the Group in its current business environment including financial, operational, compliance and information technology risks. Based on the qualitative climate risk assessment conducted, identified climate-related issues were assessed based on the likelihood of occurrence and the severity of the potential impacts as guided by the Group's risk assessment matrix across the selected climate scenarios and time horizons. The prioritisation of risks also takes into account the Group's resources, objectives, risk tolerance, control policies and mitigation measures. The respective business units responsible for the identified climate-related issues are also engaged to monitor the risk register to assess and provide insights on the risk rating and impact on their operations and business. The risk register is updated every quarter to evaluate the relevance and adequacy of the identified risks and its accompanying adaptation and mitigation measures. As part of our phased implementation approach, Sunright strives to improve its identification and review process in the subsequent years to better account for potential implications from the evolving nature of external factors such as existing and emerging regulatory requirements related to climate change. Sunright recognises that working towards our sustainability goals will necessitate the development of sustainability competencies throughout our organisation. As a result, we will work towards introducing training and development programs for staff and Board members to build awareness on the topic of climate-related risks and to prepare business units on the management of this topic.	Corporate Governance Report (pages 57-76)
Describe the organisation's processes for managing climate-related risks		
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management		

TCFD Recommendations	Our Approach	Page Reference
Metrics and targets: **Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material**		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	In our Sustainability Report, we track, measure and report on our environmental performance, including energy consumption and intensity, GHG emissions and intensity (for total, Scope 1, Scope 2 and selected Scope 3 categories). Monitoring and reporting these metrics assist us in identifying areas with high climate-related risks, allowing us to direct our efforts in those areas.	Energy and Carbon Footprint (pages 37-41)
Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks	Sunright has measured and disclosed our Scope 1 and 2 emissions in total in this report. This year, Sunright further expanded its Scope 3 emissions coverage by disclosing emissions under Category 4: Upstream Transportation and Distribution and Category 9: Downstream Transportation and Distribution in addition to the existing Category 1: Purchase of Goods and Services, Category 2: Capital Goods, Category 6: Business Travel and Category 7: Employee Commuting.	
Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets	Sunright has set a perpetual target for electricity consumption to have 2% reduction in year-on-year electricity consumption. We will continue to monitor our performance and targets to evaluate if targets need to be reviewed whenever applicable and practicable.	

CORPORATE GOVERNANCE REPORT

Sunright Limited (the "Company") affirms its commitment to upholding a high standard of corporate governance to safeguard the interests of all its stakeholders.

When establishing the Company's corporate governance framework, the Board considered the principles and recommended provisions of the Code of Corporate Governance 2018 ("SCCG"), their applicability to the Group's business circumstances and adopted practices that are most suitable and effective, in order to achieve the high standards of corporate governance desired.

This Corporate Governance Report sets out the Company's main corporate governance policy and practices, that were in place during the financial year ended 31 July 2026 ("FY2026") and where appropriate, we have provided explanations for any deviations from the recommendations of the SCCG.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

Provision 1.1: Board's Duties and Responsibilities

Principal Duties of the Board

The Board assumes overall responsibility for the governance and oversight of the Company and the companies within the Group, excluding the listed *de facto* subsidiary and its group of companies, which are associates of the Company and are managed by a separate and independent board of directors listed on another stock exchange.

In discharging its duties and responsibilities, the Board establishes and oversees the strategic direction of the Group and provides guidance to ensure that the Group is led and managed in an effective and responsible manner. The Board monitors the implementation of the Group's strategies and objectives to ensure that its business operations are conducted in accordance with the Group's goals and in the long-term interests of the Company and its stakeholders.

The Board is guided by policies and frameworks that set out matters requiring its review and approval. The policies and frameworks assist the Board in the effective discharge of its duties and responsibilities and in ensuring its decisions and actions are consistent with the Constitution of the Company, the Singapore Companies Act 1967 ("CA"), the Listing Manual of the Singapore Exchange Securities Trading Ltd ("SGX-ST") and all other applicable laws, regulations, rules and requirements with which the Group is required to comply.

The Board comprises individuals from diverse backgrounds from the private sector, including entrepreneurs and professionals, who collectively possess the appropriate mix of core competencies, skills and experience. The Board's diversity in terms of age, gender, professional background, skills and experience enables it to provide effective oversight, constructive challenge and informed guidance to Management.

A fundamental principle governing the conduct of the Directors of the Company is that, regardless of whether a Director is classified as independent or not, each is required to discharge his or her fiduciary duties in good faith and to act in the best interests of the Company.

The primary function of the Board is to provide effective leadership, oversight and strategic direction, and to work closely with Management to safeguard and enhance the long-term value of the Group for the benefit of its shareholders and other stakeholders. In discharging this role, the key responsibilities of the Board include:

- guide the corporate strategy and direction of the Group;
- establish a framework of prudent and effective controls which enables risks to be assessed and managed;
- ensure effective management and leadership of the highest quality and integrity; and
- provide oversight in the proper conduct of the Group's businesses.

The Board sets the tone for the Group in respect of ethics, values and desired organisational culture, and ensures proper accountability within the Group. It has established a code of conduct and ethics, to promulgate ethical values and conduct that Directors and employees are expected to observe.

Conflict of Interest

The Directors recognise their duty to avoid placing themselves in any position where their personal interests may conflict, or may reasonably be perceived to conflict, with their duties and responsibilities to the Company. As a safeguard, a Director who has a conflict of interest in respect of any matter or transaction under consideration by the Board is required to promptly disclose the nature and extent of his or her interest. Such Director shall not participate in the deliberation and decision-making in relation to the relevant matter or transaction and will abstain from voting on the matter or transaction.

Provision 1.2: Board's Training and Induction

Training and Development of Directors

Management provides the Directors with complete, adequate and timely information prior to and during the meetings of the Board and Board Committees. Regular updates are also provided to keep the Directors apprised of pertinent developments and matters relevant to the Group's business and operations. This enables the Directors to make informed decisions and to discharge their duties and responsibilities effectively.

The Company recognises the importance of continuous professional development and encourages all Directors to undertake appropriate training to broaden their perspectives, enhance their knowledge and skills, and remain abreast of relevant statutory, regulatory and governance developments. Training is facilitated through a combination of in-house and external or virtual training programmes. In support of the Board's commitment to continuous learning, a training budget is allocated for Directors to attend external or virtual training, at their discretion, on topics considered relevant to their respective roles and responsibilities, including emerging business, regulatory and governance developments. This enables Directors to maintain and enhance their competencies and to remain informed of impending changes in applicable laws, regulations and requirements.

All the Directors had completed the training on sustainability matters as prescribed in Rule 720(7) of the Listing Manual of SGX-ST.

During FY2026:

- External auditor updated the Directors on developments in accounting standards and regulatory updates during scheduled Audit and Risk Committee ("ARC") meetings, as well as via its regular circulation of newsletters.
- Management kept the Board apprised through scheduled meetings and circulated articles and media releases, of relevant developments in financial reporting, corporate governance, directors' duties and remuneration, regulatory requirements, sustainability and climate reporting, cybersecurity and other pertinent matters.
- Sustainability consultant provided updates to the Board on developments in sustainability and climate reporting requirements.
- Management made regular presentations to the Board at scheduled meetings, on the Group's businesses, activities and performance, strategic directions, economic and industry conditions, market developments, and evolving commercial risks affecting the Group.
- The Directors attended an in-house conference, held off-site. They were briefed on the latest market and industry developments and trends, the Group's strategic vision and plans, business update and its technology roadmap, marketing plans and new requirements on sustainability materiality assessment. The Directors also engaged with senior management of the Group's key operations to obtain first-hand insights into their respective business operations and to assess, at a broad level, their leadership capabilities, strategic direction, business performance and management resources.

- External training attended by the Directors variously included:
    - "SID Directors Conference 2025" conducted by Singapore Institute of Directors ("SID")
    - "ISCA-SAC Board of Directors Masterclass Programme" conducted by Institute of Singapore Chartered Accountants ("ISCA") and SAC Capital Private Limited ("SAC") jointly
    - "Sustainability E-Training for Directors" conducted jointly by ISCA and SAC
    - "Director Financial Reporting Fundamentals" conducted by SID
    - "SID Workshop – Cyber Crisis Simulation Training for Directors" conducted by SID

Induction of Newly Appointed Directors

Upon the appointment of a new Director, the Company issues a formal letter of appointment setting out, among other matters, the Director's role, obligations, duties and responsibilities. As part of the onboarding process, Management provides such Director with a comprehensive induction programme and relevant materials to facilitate the Director's understanding of the Company's Board policies and processes, the Group's businesses, operations, financial performance, risk management and internal control systems, as well as governance practices. Newly appointed Director who has no prior experience being a director of a listed company in Singapore is required to complete the Mandatory Training for first-time director, as prescribed by SGX-ST, within the stipulated timeframe.

Dr. Babak Alizadeh Taheri had completed the mandatory training for first-time director and sustainability training in November 2025.

Provision 1.3: Board's Reserved Matters

The Board has established a set of delegations of authority, which set out the matters and transactions that require its review and approval. In general, the Board retains approval authority for matters and transactions exceeding specified thresholds, while delegating authority to Management for matters and transactions within the prescribed limits. The delegation of authority facilitates operational efficiency while maintaining an appropriate system of oversight, accountability and checks and balances.

Matters and transactions normally reserved for the consideration and approval of the Board, include annual budgets, annual financial statements, announcements to the SGX-ST, adoption and implementation of corporate governance practices, corporate restructuring, declaration of dividends, major investments, oversight of risk management framework, internal control systems and sustainability reporting, as well as other matters of strategic or material significance to the Group.

Provision 1.4: Board Committees

The Board is supported by three Board Committees, namely the ARC, the Nominating Committee (the "NC") and the Remuneration Committee (the "RC"), each of which operates under delegated authority from the Board, to assist the Board in discharging its oversight function. These Board Committees are constituted with clear written Terms of Reference ("TOR") setting out their compositions, authorities and duties, including reporting back to the Board. While the Board Committees have the authority to examine and may approve certain matters, they generally report to the Board with their recommendations for the Board's decisions.

Provision 1.5: Time Commitment of Directors

Attendance of Meetings

The Board and Board Committees meet on a scheduled basis, at least two to three times annually with additional meetings convened as and when circumstances warrant. Meetings are normally conducted in person. When circumstances require, such meetings may also be conducted wholly by electronic means, whether by audio or video conferencing, or in a hybrid manner, to facilitate the effective participation of all Directors. The meetings of the Board and Board Committees held in FY2026 were conducted in a combination of fully physical and hybrid formats.

Meetings of the Board and Board Committees have always been conducted in an open and participative manner, with Directors engaging in constructive discussion and deliberation of matters presented for consideration. Directors are also able to express their views and raise questions or concerns freely, including differing or dissenting views. This approach promotes robust discussion and facilitates informed decision-making, with due regard to the interests of the Company and the Group.

The Directors attended the following Board and Board Committees meetings in FY2026:

Types & Number of Meetings / Name of Directors	Board	ARC	NC	RC
	3	**2**	**2**	**2**
Samuel Lim Syn Soo	3	2*	2	2*
Kenneth Tan Teoh Khoon	3	2*	2	2*
Daniel Soh Chung Hian	3	2	2	2
Sandy Foo Fei Ying	1	0	1	1
Babak Alizadeh Taheri	3	2	2	2

* By invitation

Ms Sandy Foo was unable to attend certain meetings due to unavoidable professional commitments and unforeseen travel disruption. In respect of meetings which she was unable to attend, she remained engaged on the matters discussed and communicated her views and input to the Chairman and other directors thereafter.

The Board is satisfied that the circumstances resulting in her non-attendance were unforeseen and beyond her control, and that she continued to discharge her responsibilities as an Independent Director to the extent practicable. The overall effectiveness of the Board had not been affected as a result of her absence from the meetings.

In between the scheduled meetings of the Board and Board Committees, important or time-sensitive matters are also discussed/reviewed in person, on the telephone or via email, for consultations and when necessary, approval on the matters under discussion/review are made by way of circular resolutions together with supporting papers (where relevant) to facilitate informed decision-making.

Provision 1.6: Board's Access to information

All Directors have timely and appropriate access to information necessary to enable them to discharge their duties effectively and responsibly.

Agendas and meeting materials, including relevant reports, financial statements and other information necessary to facilitate active participation and informed decision-making, are typically circulated to the Board, and the respective Board Committees, a week or so before the meetings. This provides Directors with sufficient time to review and consider the matters to be deliberated and to seek clarification, where necessary. Furthermore, Directors may request additional information or clarification from Management on matters under consideration, where required to facilitate informed decision-making and effective discharge of their duties and responsibilities.

Provision 1.7: Board's Access to Management, External Advisers and Company Secretary

Directors have direct and independent access to Management and the Company Secretary at all times, whether through face-to-face meetings or electronic means, including emails, telephone and video conferencing. Such access facilitates effective communication and enables the Directors to obtain timely information and clarification on matters relevant to the discharge of their duties and responsibilities.

Where necessary, Directors may seek independent professional advice, at the Company's expense, to assist them in the discharge of their duties and responsibilities. The engagement of such professional advisers is subject to the applicable procedures and requirements of the Company.

The Board is supported by the Company Secretary, who attends to the administration of corporate secretarial and governance matters and provides guidance to the Board on matters relating to corporate governance and applicable statutory and regulatory requirements. The Company Secretary assists in ensuring the Company complies with its Constitution and applicable laws, regulations and listing requirements, including the CA, the Securities and Futures Act and the Listing Manual of SGX-ST ("Listing Manual").

The Company Secretary attends and prepares the minutes of meetings of the Board, Board Committees and shareholders and provides assistance to the chairman of the Board and Board Committees, in ensuring that Board and Board Committee procedures are adhered to and that governance matters are appropriately addressed.

The Board decides on the appointment and termination of the Company Secretary.

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: Determination of Director's Independence

The Board espouses the principle that a board composition with a strong and independent element, as well as diversity of thought and background facilitates Directors to: (i) engage in robust deliberations with Management; (ii) provide external, diverse and objective insights on issues brought before the Board and Board Committees for discussion and deliberation; and (iii) provide oversight to ensure Management discharges its roles and responsibilities effectively.

The Board comprises five Directors, of whom two are executive and three are non-executive. All the Non-Executive Directors ("NEDs") are independent.

The independence of the Directors is reviewed by the NC and the Board on an annual basis and as and when circumstances require. The NC and the Board make reference to Rule 210(5)(d)(i), (ii) and (iv) of the Listing Manual, the guidelines under the SCCG and the respective Director's declaration of independence, to determine whether or not a Director is independent.

For FY2026, each ID confirmed there were no relationships or circumstances that could affect his or her independence and that he or she has been able to act independently and liberally in the discharge of his or her duties. The NC reviewed the declarations made by the IDs and made its recommendations to the Board. Following its review, the Board determined that Messrs Daniel Soh Chung Hian, Sandy Foo Fei Ying and Babak Alizadeh Taheri, continue to be IDs. None of them participated in the Board's determination of his or her own independence.

Provision 2.2: Majority Independence Criteria if Chairman is non-independent
Provision 2.3: Majority Non-Executive Directors

The Board Chairman is not an ID as he also assumes the position of Chief Executive Officer ("CEO").

The Board comprises of three IDs which constitute a majority of the Board, in keeping with the SCCG's recommendation that IDs make up a majority of the Board where the Chairman is not independent.

Provision 2.4: Size, Composition and Diversity of Board and Board Committees

The NC conducted an assessment of the Board and Board Committees and was satisfied that they are of the right size and are well balanced from the perspective of the mix of skills, knowledge, experience, independence and diversity in age, gender, ethnicity and tenure. The Board similarly concurred with the NC's findings that:

- given the Group's nature and scale of operations, the size of five Directors is optimal for the Board's effective and expedient decision-making; and
- its current composition comprises Directors who collectively have the core competencies and other aspects of diversity to avoid groupthink and foster constructive debate. The table below gives a snapshot on the various aspects of Board diversity:

Age	51-60 years = 20%	61-70 years = 40%	>70 years = 40%	
Gender	Male	80%	Female	20%
Ethnicity	Chinese	80%	Others - American	20%
Nationality	Singaporean	80%	American	20%
Independence	Independent	60%	Non-Independent	40%
Core Competencies	Accounting, finance, banking, business and management experience, customer-based experience and knowledge, engineering, human resources, industry experience and knowledge, international perspective, legal, manufacturing, marketing, public listed experience, investor relations, risk management and strategic development.			

The Board Diversity Policy ("BDP") seeks to promote an appropriate balance and diversity of skills, experience, gender, age, tenure, ethnicity and independence among the members of the Board. The BDP is intended to support the maintenance of an effective Board, with the requisite breadth of perspectives and expertise to provide effective oversight and guidance in achieving the Group's strategic objectives and supporting its sustainable growth. Board diversity serves to mitigate the risk of groupthink, promote constructive deliberations and enhance the Board's ability to better identify potential risks and contribute to effective decision-making.

In reviewing the Board's composition, including the appointment, rotation and retirement of Directors, the NC considers the diversity of the Board in the context of the Company's needs and the objectives of the BDP. All Board appointments are made on merit and assessed against objective criteria, with due regard to the benefits of diversity and the Company's needs.

The current composition of the Board reflects the Company's commitment to Board diversity. The Board diversity targets, timelines and progress towards achieving these targets are set out below.

Skills and Experience

The Board targets to maintain a Board comprising Directors who possess a balance of diversity in background, knowledge and skills, as well as experiences in various fields of expertise to support it in providing effective oversight of the businesses of the Group. In this regard, the Board seeks to maintain core competencies across areas including accounting and finance, business and management, customer-based experience and knowledge, engineering, industry knowledge, international experience, investor relations, legal, manufacturing, marketing and risk management.

The Board recognises that diversity in skills and experience supports robust oversight and constructive deliberation and enhances the effectiveness of the Board and Board Committees to provide guidance and oversight of Management and the Group's operations.

The current Board comprises Directors with an appropriate combination of professional qualifications, skills and experience. Collectively, the Directors possess a broad range of the core competencies identified in the BDP, as illustrated in the Board Diversity table above.

Gender

Having regard to the industry that the Group operates in and the small Board size, the Board has set a target of at least one female representation on the Board. Currently, one out of five Directors (20% of the Board) is female.

Age

The Board believes that age diversity in the boardroom creates an environment that is rich with experience and maturity, as well as youthful exuberance. As such, the Board targets to maintain a Board comprising Directors from at least two different age groups, to generate different perspectives, facilitate robust discussions and reduce risk of groupthink dynamics. As illustrated in the table above, the current Board comprises Directors from three different age groups.

Tenure of Service

The Board recognises that diversity in Director's tenure contributes to a balance of fresh perspectives and institutional knowledge. Accordingly, the Board seeks, where practicable, to maintain an appropriate mix of Directors with different lengths of service. Newer Directors bring fresh perspectives and insights, while longer-serving Directors contribute institutional knowledge and deep understanding of the Group's businesses and operating environment.

The Board comprises Directors with varying lengths of service. Three Directors (60% of the Board) have served for less than nine years while two Directors (40% of the Board) have served for more than twenty years.

Ethnicity Background

As illustrated in the table above, the current Board comprises Directors of different ethnic groups.

Independence

The Board is of the view there should be an appropriate balance of Executive Directors ("EDs") and NEDs, with elements of independence to support robust and unbiased decision-making. The desire is to maintain a majority independence Board composition.

Currently, the Board comprises two EDs (40%) and three NEDs (60%) who are independent.

The Board has been and continues to ensure that the Board and Board Committees have an appropriate level of independence and diversity of thought and background in their composition to enable them to make effective decisions.

Provision 2.5: Meeting of Independent Non-Executive Directors

The NEDs who are also the IDs, led by the Lead ID, meet informally without the presence of Management when the need arises. The Lead ID provides feedback to the Board after such meetings, as appropriate.

In FY2026, the IDs met once without the presence of Management.

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: Board Chairman and CEO are separate individuals

The Board Chairman, Mr Samuel Lim, also serves as the Company's CEO. This single leadership appointment is a deviation from the recommendation under this Provision that provides each role should be held by separate individuals to ensure an appropriate balance of power and accountability, and to facilitate independent decision-making by the Board.

The Board has considered the nature and scale of the Group's businesses, and is of the view that it is in the best interests of the Company for Mr Samuel Lim to assume both roles.

Mr Samuel Lim is a 50 year veteran in the local semiconductor industry. He brings a distinguished combination of technological and commercial insights. His deep knowledge of the products, experience of the business, wide contacts in the industry and visionary leadership will ensure there is effective management and continued success of the Group in meeting its obligations and goals.

The combined roles provide the Group with a strong and consistent leadership, and facilitate effective strategic planning and expeditious execution of the Group's business strategies.

The Board is also satisfied that there are adequate safeguards and checks and balances in place, including a strong element of independence on the Board and Board Committees, to support objective deliberations and protect the interests of the Company and its stakeholders.

Having regard to the above, and taking into account Mr Samuel Lim's performance, professionalism and objectivity in discharging his responsibilities, the Board supports the continued combination of the roles of Board Chairman and CEO.

Provision 3.2: Written division of responsibilities of Chairman and CEO

The Board is mindful of the potential concentration of authority arising from the combined roles of the Board Chairman and CEO. To ensure appropriate checks and balances, and to safeguard the interests of the Company, the respective responsibilities of the Chairman and CEO have been clearly defined and documented.

As Chairman, Mr Samuel Lim is responsible for leading the Board and ensuring its effectiveness, promoting constructive engagement between the Directors and Management, and facilitating robust deliberations on the Group's strategic direction, business operations and governance matters.

In his role as CEO, Mr Samuel Lim is responsible for the overall management and operations of the Group, including executive decision-making of the business and operations and ensuring compliance with applicable laws and regulations in the conduct of the Group's day-to-day activities.

Provision 3.3: Lead Independent Director

This Provision recommends that a Lead ID be appointed where the Chairman is conflicted or not independent.

Mr Daniel Soh Chung Hian is the Lead ID. Shareholders may reach out to him if they have concerns and for which contact through the normal channels of communication with the Board Chairman or Management are inappropriate or inadequate, via the following email address: lid@sunright.com.

BOARD MEMBERSHIP

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

Provisions 4.1 and 4.2: Nominating Committee and its composition

The NC comprises five Directors, namely: Messrs Daniel Soh Chung Hian (NC Chairman and Lead ID), Sandy Foo Fei Ying, Babak Alizadeh Taheri, Samuel Lim Syn Soo and Kenneth Tan Teoh Khoon, majority of whom (including the NC Chairman) are independent.

The NC is regulated by its TOR and its principal functions are to review:

- Structure, size and composition of the Board and making recommendations to the Board with regard to any changes deemed necessary;
- Effectiveness of the Board, Board Committees and individual Directors and developing appropriate procedures for such evaluations;
- Independence of IDs;
- Training and professional development programmes for the Board and its Directors;

- Succession plan for Directors;
- Identification of Key Management Personnel ("KMP");
- Proposal of candidates for appointment to the Board; and
- Re-appointment of Directors.

In FY2026, the NC met twice, to review the Board size, structure and composition; assess the independence of the IDs; evaluate the performance and effectiveness of the Board, Board Committees, as well as the Directors; reviewed time commitment of Directors; assessed trainings received by Directors; reviewed identified KMP; recommended the re-election of Directors due for retirement; reviewed succession plan for Directors; and provided to the Board the relevant information relating to the NC for disclosure in the Company's Annual Report.

Provision 4.3: Selection, Appointment and Re-Appointment of Directors

The NC assists the Board in identifying and assessing suitable candidates for appointment to the Board and makes recommendations in accordance with the Board's policy on the identification, selection and appointment of Director.

In assessing suitable candidates, the Board prioritises the needs of the Group and takes into account the candidates' industry and business experience, skills, expertise, background and ability to commit sufficient time to effectively discharge their duties. In addition, the Board seeks to maintain an appropriate level of independence and diversity of skills, experience, perspectives and backgrounds, having regard to the requirements in the Listing Manual and the SCCG. The Board, having considered the Directors' respective contributions, commitments and attendance during the financial year, is satisfied that each Director has devoted sufficient time and attention to effectively discharge his or her duties.

In accordance with the Company's Constitution, one-third of the Directors are to retire from the office annually by rotation at each AGM. All Directors are required to submit themselves for re-election at least once in every three years. Retiring Directors are eligible to offer themselves for re-election. The Directors who are retiring by rotation and standing for re-election at the forthcoming AGM are Mr Samuel Lim and Ms Sandy Foo. The NC has recommended their re-election and the Board has accepted the NC's recommendation.

Pursuant to Rule 720(6) of the Listing Manual, additional information on the Directors seeking re-election has been set out in the "Additional Information on Directors Seeking Re-Election at the AGM" section, which is appended to the Notice of AGM.

Provision 4.4: Director's Independence

As described under Provision 2.1, the IDs, have been assessed by the NC to be independent.

The Board is satisfied all the IDs have continued to demonstrate their ability to exercise independent judgement, while acting in the best interests of the Company.

Provision 4.5: Director's awareness and adequate discharge of duties

New Director's Awareness of Duties and Obligations

As explained under Provision 1.2, newly appointed Director is made aware of his or her duties and obligations through the formal letter of appointment, the attendance of induction training conducted by the Company and the attendance of Mandatory Training prescribed by SGX-ST (if applicable).

Multiple Directorships

Information on listed company directorships and principal commitments of each Director are set out in the "Board of Directors" section in this Annual Report.

As a matter of policy, the Board does not limit the maximum number of listed company board representation Directors may hold as long as the individual Directors are able to commit his or her time and attention to the affairs of the Group, including attending Board, Board Committees and shareholders' meetings. The Board believes that each Director is best placed to decide whether he or she has sufficient capacity to discharge his or her duties and responsibilities, in the best interests of the Group.

Nonetheless, the NC performs annual assessment to determine whether a Director has been adequately carrying out his or her duties as Director, having regard to each Director's attendance of meetings, participation and ability to contribute effectively thereat.

Having considered the confirmation provided by the IDs regarding their ability to devote sufficient time and attention in discharging their duties, as well as the contributions and performance of each Director, the NC had determined and the Board was satisfied, that all the Directors had adequately discharged their duties during FY2026, notwithstanding certain Directors hold multiple listed board representations and other principal commitments.

Appointment of Alternate Director

In keeping with the principle that a Director must be able to commit his or her time and attention to the affairs of the Group, the Board does not encourage the appointment of alternate directors. No alternate director has been appointed to the Board in FY2026 or currently.

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.

Provisions 5.1 and 5.2: Review of Performance of Board, Board Committees, Board Chairman and Individual Directors

The NC has established objective performance criteria and a process on how the performance of the Board as a whole, Board Committees, Board Chairman and individual Directors, are to be evaluated on an annual basis.

The NC considers amongst others the adequacy of Board and Board Committees size and composition, information flow, accountability, overall effectiveness, the performance of the chairpersons etc., to evaluate the overall effectiveness of the Board, Board Committees and the Board Chairman. Assessment of individual Director focuses on areas such as interactive skills, knowledge, attendance and participation at meetings.

The evaluation process is carried out in-house via completion of relevant confidential questionnaires by Directors, seeking their views on various aspects of Board, Board Committees and individual Director performance. The responses received from the questionnaires were collated by the Company Secretary and a consolidated report was presented to the NC for assessment. The NC's assessments and recommendations are then presented to the Board for review and deliberation.

During FY2026, NC evaluated the Board, Board Committees, Board Chairman and individual Directors, and is of the view that they have performed consistently well and operated effectively. The Board similarly concurred with the NC's assessments.

No external facilitator was involved in the aforesaid evaluation process.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

Provisions 6.1, 6.2 and 6.3: Remuneration Committee

The RC comprises three NEDs, namely: Messrs Sandy Foo Fei Ying (RC Chairman), Daniel Soh Chung Hian and Babak Alizadeh Taheri, all of whom are IDs.

The RC is responsible for ensuring that formal and transparent procedures are established and maintained for developing policies on remuneration of Director and KMP, and for determining the remuneration packages of individual Directors and KMP. In the discharge of its duties, the RC ensures that no Director is involved in deciding his or her own remuneration.

The RC is regulated by its TOR and its principal functions are to assist the Board in:

- Reviewing remuneration policy for the Board;
- Recommending to the Board the remuneration structures, mix and quantum for the Directors, CEO and KMP;
- Approving performance measures and targets in the associated remuneration framework; and
- Consulting external independent advisers where necessary on remuneration matters.

The underlying principle of the Company's remuneration policy is to pay competitively and adequately that is commensurate with the responsibilities, qualifications and experience of its Directors and KMP. The remuneration framework is designed to attract, motivate and retain Directors and KMP of requisite calibre, skills and experience necessary to support effective management and sustainable performance of the Group, while ensuring that remuneration remains appropriate and not excessive.

In its review of the remuneration of the Directors and KMP, the RC takes into consideration prevailing market practices and remuneration of comparable companies, the performance of the Group as well as the scope of the individual's responsibilities and individual performance.

In FY2026, the RC met twice, to:

(i) review the remuneration of the Directors and deliberated on the extent of remuneration disclosures to be made in the Annual Report. The Board considered the RC's recommendations and is satisfied that the proposed remuneration for the Directors are fair and appropriate, having regard to their respective responsibilities and contributions, and is not excessive. The Board further concurred that full disclosure of the remuneration information of the KMP would not be in the best interests of the Company, having regard to the commercial sensitivity of such information; and

(ii) recommend to the Board on the relevant information relating to the RC to be disclosed in the Company's Annual Report.

Provision 6.4: Engagement of Remuneration Consultant

No remuneration consultant was engaged in FY2026, as the RC was able to access relevant information of some comparable companies and deemed it is not necessary.

LEVEL AND MIX OF REMUNERATION

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

Provisions 7.1 and 7.3: Remuneration of Executive Directors and KMP

The Group's remuneration policy is designed to provide competitive remuneration packages that are commensurate with market practices and are aligned with the Group's performance. The remuneration framework seeks to recognise and reward performance, while enabling the Group to attract, retain and motivate employees of the requisite calibre and capabilities.

The remuneration packages of EDs and KMP, comprise fixed and variable components. The fixed component comprises the base salary and benefits, whereas the variable component primarily comprises performance-related bonuses linked to the performance of the Group and the individual. For the EDs, the variable component also includes profit sharing awards which are conditional upon the Group achieving specified profit before tax targets. EDs do not receive directors' fees. The inclusion of performance-related remuneration is intended to align the interests of EDs and KMP with those of the shareholders to encourage a focus on the long-term performance and sustainable success of the Group.

The contracts of service of the EDs and KMP do not provide for fixed tenures and contain termination provisions that the Board considers to be fair and reasonable. Also, there are no contractual provisions for the clawback of incentive components of remuneration from the EDs and KMP in exceptional circumstances, as variable bonuses are determined based on the audited financial statements of the Group or Company, as applicable, as well as the actual performance of the respective individuals; rather than on forward-looking financial results.

Provision 7.2: Remuneration of Non-Executive Directors

The RC reviews the remuneration of the NEDs, to ensure their remuneration is appropriate (but not excessive) to their level of contribution, so as to attract and retain Directors to provide good stewardship of the Group.

The NEDs are paid remuneration in the form of fees and entirely in cash. To ensure each NED's fees are commensurate with his or her responsibilities and time spent, each is paid a basic fee and additional fees, for performing additional responsibilities such as Board Committees and chairmanship roles. The fees are subject to approval by shareholders as a lump sum at each AGM.

The fees are reviewed every two years and benchmarked against comparable companies. No Director is involved in deciding his or her own fees.

The Board concurred with the RC's recommendation that the proposed Directors' fees for FY2026 were appropriate, taking into consideration the time and effort devoted by the Directors in discharging their responsibilities as members of the Board and Board Committees.

DISCLOSURE OF 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.

Provisions 8.1, 8.2 and 8.3: Disclosure of Directors' Remuneration and KMP

The policy and criteria for setting remuneration of the Directors and KMP are discussed under the foregoing Provisions 7.1 to 7.3.

The remuneration payable to the IDs for FY2026 is as follows:

NON-EXECUTIVE DIRECTORS	FEES (S$)
Daniel Soh Chung Hian	65,700
Sandy Foo Fei Ying	55,000
Babak Alizadeh Taheri	55,000

EXECUTIVE DIRECTORS	SALARY	BONUS	BENEFITS	TOTAL
Samuel Lim Syn Soo	63%	21%	16%	S$750,767
Kenneth Tan Teoh Khoon	66%	18%	16%	S$632,449

The Group has four KMP (who are not the Directors or the CEO). The aggregate remuneration paid to the four KMP is approximately S$0.85 million.

The RC and the Board are cognisant of the recommendation set out under Provision 8.1(b), to also disclose the names of the top five KMP (who are not the Directors or the CEO). The Board takes the view that such disclosure is commercially sensitive in this very competitive labour market for high calibre staff, as well as the negative impacts to the Group, if the disclosure is made. With keen competition for management staff in the semiconductor industry, such transparent disclosure may result in poaching of experienced senior management staff, as well as cause disharmony amongst members of the senior management team, which in turn affects the Group's human resource strategies in talent nurturing and retention.

The Company has not implemented any long-term incentive plan, such as employee share option scheme, as the Board is of the view that the current remuneration package is adequate. The Board will consider the need for such a scheme at an appropriate time.

Except for Mr Samuel Lim Syn Soo who is Chairman/CEO and substantial shareholder of the Company, no employees were substantial shareholders of the Company, or immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during FY2026.

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: Board Risk Committee to address significant risks

The ARC assists the Board in overseeing the Group's risk management and internal control systems. Business unit management is responsible for identifying and assessing the material risks and for the design, implementation and monitoring of appropriate controls to manage and mitigate such risks. The Group's risk management and internal control systems cover organisational structure, strategic planning, risk management, financial management, operational control, information technology, regulatory and compliance controls, with the objective of safeguarding shareholders' investments, customers' interests and the Group's assets.

The Board is responsible for maintaining a sound risk management framework and system of internal controls and for reviewing its effectiveness, adequacy and integrity. The Board recognises the inherent limitations of any risk management and internal control system and that such system is designed to manage and mitigate risks, rather than eliminate the risks. Accordingly, they provide reasonable, but not absolute assurance against material financial misstatement or loss.

The Board is supported by Management and the ARC in overseeing the maintenance of sound risk management and internal control system addressing material financial, operational, compliance and information technology risks.

Risk Management Framework

The Group has implemented an Enterprise Risk Management ("ERM") framework and related processes for identifying, evaluating and managing significant risks faced by the Group.

The Board's responsibilities for the governance of risks and controls include:-

- Setting the tone and culture for effective risk management and internal control systems;
- Ensuring risk management is embedded in all aspects of the Group's daily business and operational activities and processes;
- Determining acceptable risk appetite; and
- Reviewing the adequacy and effectiveness of risk management and internal control system to obtain reasonable assurance that risks have been kept within tolerable levels.

Internal Control Framework

The Group has put in place an organisation structure with formally defined lines of responsibility and delegation of authority. A process of hierarchical reporting has been established, which provides for a documented and auditable trail of accountability.

The EDs and Management, through their day-to-day involvement in the business operations and regular attendance at senior management level meetings with the business units, manage and monitor the Group's financial performance, key business indicators, operational effectiveness and efficiency; discuss and resolve significant business issues and ensure compliance with applicable laws, regulations, rules, directives and guidelines. These senior management meetings serve as a two-way platform for the Board, through the EDs, to communicate and address significant matters in relation to the Group's businesses and financial affairs and provide updates on significant changes in the business and the external environment which result in significant risks.

The Group's internal control procedures also encompass a series of standard operating practice manuals and business process manuals, which serve as guidance for proper measures to be undertaken, and are subject to regular review, enhancement and improvement.

The ARC, with the assistance of Management, reviewed the Group's material controls, including financial, operational, information technology and compliance controls, as well as its risk management systems.

Provision 9.2: Assurance from CEO and Executive Director

The Board had received assurances from the CEO and the ED, who are responsible for the financial management of the Group that:

- the financial records have been properly maintained and the financial statements for FY2026 gave a true and fair view of the Group's operations and finances; and
- the Group's risk management and internal control systems, which addressed the material risks in the Group in its current business environment including financial, operational, compliance and information technology risks, were operating effectively.

Based on the ERM framework and various controls established within the Group and the reviews conducted by Management, the internal auditor and the external auditor as part of their statutory audit, as well as the assurances from the CEO and the ED, the Board, with the concurrence of the ARC, is satisfied that the Group's internal controls and risk management processes addressing material financial, operational, information technology and compliance risks are adequate and effective to address the risks that the Group considers relevant and material to its business operations.

AUDIT COMMITTEE

PRINCIPLE 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provision 10.1: Roles, Authorities and Responsibilities of AC

Role of ARC

The Board is supported by the ARC which provides oversight of audit, financial, internal control and risk matters.

Authority of the ARC

The ARC has explicit authority to investigate any matter falling within its TOR, including full access to and co-operation from Management and the internal auditors, full discretion to invite anyone to attend its meetings, and has been given reasonable resources at its disposal, to enable it to discharge its functions properly. The external auditor also has unrestricted access to the ARC.

Terms of Reference

The ARC is regulated by its TOR and its principal functions are to:

- Review the audit plans of the internal and external auditors of the Company, and the internal auditor's evaluation of the adequacy of the Group's system of internal controls and the assistance given by the Group's and the Company's Management to the external and internal auditors;
- Review the Group's and Company's unaudited half-year and full-year financial results, as well as the annual audited financial statements and the external auditor's report thereon;
- Review the effectiveness of the Group's and the Company's material internal controls, including financial, operational, information technology and compliance controls and risk management;
- Meet with the internal and external auditors and Management in separate sessions to discuss any matters that these groups believe should be discussed privately with the ARC;
- Review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;
- Review the cost effectiveness, independence and objectivity of the external auditor;
- Review the nature and extent of non-audit services provided by the external auditor;
- Recommend to the Board on the nomination of internal and external auditors, including reviewing their engagement terms and compensation;
- Review interested person transactions; and
- Oversee the establishment and operation of whistleblowing process.

Financial Reporting

The ARC reviewed the unaudited half-year and full-year financial results and annual audited financial statements prior to presentation to the Board for approval so as to ensure the integrity of the financial statements and any announcements relating to the Group's financial performance.

During the process of review, the ARC discussed with the Management and the external auditor on the significant issues that were brought to the ARC's attention. Material issues which the external auditor assessed to be most significant in its audit of the financial statements for the year under review are highlighted in the Key Audit Matters section of the Independent Auditor's Report.

External Auditor

Ernst & Young LLP ("EY") is the external auditor of the Company. EY has confirmed it is approved under the Accountants Act and the audit partner-in-charge assigned to the audit is a public accountant under the Accountants Act.

All the Company's subsidiaries are also audited by EY and EY's member firms except for one foreign subsidiary. Nonetheless, the ARC and the Board had satisfied themselves that the appointment of different auditing firm for the foreign subsidiary would not compromise the standard and effectiveness of the audit of the Company and the Group. Accordingly, the Group is in compliance with Rule 712 and Rule 716 of the Listing Manual in relation to its external auditor.

Pursuant to the requirement in the Listing Manual Rule 713, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. The current EY's partner for the Company, Ms Kiranpreet Kaur Shahi, was appointed in financial year ended 31 July 2025.

Activities of the ARC

In FY2026, the ARC met twice to carry out the following activities:-

a) Reviewed the ERM progress report;

b) Reviewed with the external auditor, their audit plan, and audit findings;

c) Reviewed the audited financial statements and the external auditor's report thereon and presented them to the Board for approval;

d) Assessed the independence, objectivity and performance of the external auditor and recommended their re-nomination to the Board;

e) Reviewed, discussed and recommended the unaudited half-year and full-year financial results of the Group and of the Company to be presented to the Board for approval;

f) Reviewed the level of assistance given by the Group's Management to the auditors;

g) Assessed the adequacy and effectiveness of the outsourced internal auditor and approved their appointment, engagement terms and audit plan; and

h) Reviewed with the internal auditor their audit findings.

Non-Audit Services

The ARC reviewed the aggregate fees payable to EY for FY2026, including the fees for audit and non-audit services. The ARC is satisfied that the provision of non-audit services by EY does not compromise its independence and objectivity. The breakdown of the fees to be paid for audit and non-audit services provided by EY is disclosed in Note 8 of the audited financial statements included in this Annual Report.

Nomination of External Auditor

The ARC, having assessed EY's approach to audit quality and transparency as well as taking into consideration the Audit Quality Indicators Disclosure Framework published by ACRA in respect of EY, concluded that they demonstrated appropriate qualifications and expertise and that the audit process was effective. The ARC has recommended to the Board that EY be re-appointed as the external auditor. The Board accepted the recommendation and has proposed a resolution (set out in the Notice of 48th AGM) to shareholders for their re-appointment.

Whistle Blower Policy

The Company has a Whistle Blower Policy, as endorsed by the ARC, by which employees of the Group may report and raise in good faith and in confidence, any concern about possible improprieties in matters of financial reporting or other matters. Details of the whistle-blowing protocols and investigation process have been made available to all employees. The policy serves to facilitate independent investigation of such matters and for appropriate follow-up action.

Provision 10.2: Composition of the AC

The ARC comprises three NEDs, all of whom including its chairman are IDs. The members of the ARC are Messrs Daniel Soh Chung Hian (ARC Chairman), Sandy Foo Fei Ying and Babak Alizadeh Taheri, who possess relevant accounting or related financial management expertise or experience.

The ARC is kept abreast by Management and external auditor on relevant changes to the accounting standards and issues which have direct impact on the Group's financial reporting and statements.

Provision 10.3: AC Members being not former partner of the auditing firm

None of the ARC members was a partner or director of the incumbent external auditor, EY, within the previous two years, and neither do any of them have any financial interest in EY.

Provision 10.4: Internal Audit

The Company's internal audit function, which has been outsourced to an independent professional firm, assists the ARC and the Board in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's risk management and internal controls systems.

The ARC, having considered, amongst others, the reputation and track record of Foo Kon Tan Advisory Services Pte Ltd ("FKT") and the qualifications, experience and availability of resources and independence of the team at FKT, is satisfied that the appointment of FKT as internal auditor is appropriate.

The internal audit is guided by FKT's Internal Audit Methodology which is aligned to the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors.

FKT reports directly and independently to the ARC, with the Corporate Controller being the administrative coordinator. It has unrestricted access to the documents, records, properties and personnel of the Company and of the Group.

FKT adopts a risk-based approach and prepare the audit strategy and plan based on the risk profiles of the business units of the Group. The internal audit plan is presented to the ARC for approval prior to commencement of the audit work.

Provision 10.5: Annual Meeting with Auditors

In FY2026, the ARC met separately with FKT and EY, without the presence of Management, on one occasion.

SHAREHOLDER RIGHTS AND ENGAGEMENTS

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: Participation and voting at general meetings

The Company is committed to treating all shareholders fairly and equitably and to ensuring shareholders are afforded the opportunities to exercise their ownership rights and communicate their views on matters affecting the Company.

Shareholders are notified of the Company's general meetings through notices published in the newspapers, electronic releases, annual reports or circulars, and announcements released to SGX-ST, via SGXNET, and the Company's website. Electronic copies of the annual report are available on the SGX-ST's and the Company's websites, while limited printed copies are available upon request.

Notices of general meetings and accompanying documents, where applicable, are made available to shareholders at least 14 or 21 clear calendar days before the scheduled meetings for ordinary or special resolutions, respectively.

The Company's Constitution permits shareholders who are unable to attend the general meetings to appoint the number of proxies permitted under the proxy form, to attend and vote on their behalf.

A member who is a relevant intermediary providing nominee or custodial services may appoint more than two proxies to attend, speak and vote at general meetings. Accordingly, shareholders holding shares through such intermediaries, may attend and participate in general meetings as proxies.

An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") may attend and vote at general meetings in person. Where unable to attend but wishing to vote, CPF Investor and/or SRS Investor may instruct their respective CPF and/or SRS Approved Nominees to appoint the Chairman of the general meetings as their proxy. In such circumstances, the CPF Investor and/or SRS Investor will not be permitted to attend the meetings.

The Company conducts electronic poll voting for all resolutions proposed at its general meetings. Voting rules and procedures are explained at the meetings. Independent scrutineers are also present to scrutinise the voting process. The results of all votes cast in respect of each resolution are displayed live on-screen at the meetings and also announced after the meetings to SGX-ST, via the SGXNET, and available on the Company's website.

The Company conducts its general meetings wholly in physical format. Shareholders are provided with the opportunity to submit written questions prior to the meetings. The Company will address all substantial and relevant comments and queries received within a reasonable timeframe prior to the meetings, with the responses published on SGXNET and the Company's website. Shareholders may refer to the Notification to Shareholders and the Notice of the meeting for further information.

Provision 11.2: Separate Resolutions for separate Issues

Issues or matters requiring shareholders' approval are tabled at the general meetings of the Company in the form of separate and distinct resolutions. This is to enable the shareholders to have full understanding and evaluation of issues or matters involved.

Provision 11.3: Attendance of Directors and external auditor at general meetings

The Directors are expected to attend the Company's general meetings, unless prevented by good reason. All the Directors and the Company's external auditor were present at the AGM held in 2025.

Provision 11.4: Absentia voting at general meetings

The Company did not provide in its Constitution to allow voting in absentia, as it felt that this would not serve the interest of shareholders, as such methods require careful study to ensure the integrity of information and authentication of the identity of shareholders.

Provision 11.5: Publication of minutes of general meetings

Minutes of the general meetings recording the substantive business transacted and relevant comments made and questions raised by shareholders relating to the agenda and associated responses from the Board and Management, are available on the SGXNET and Company's website.

Provision 11.6: Dividend Policy

The Company's dividend policy seeks to balance shareholder returns with the retention of sufficient earnings to support the Group's growth and long-term capital requirements. Accordingly, the Board adopts a flexible approach in determining the declaration and payment of dividends, taking into account the Company's and the Group's profitability, cash flow and retained earnings, actual and projected business and financial performance, working capital requirements and financing requirements, prevailing operating and business conditions, projected levels of capital expenditure and expansion plans, investment plans, and any applicable restrictions on the payment of dividends. The form, frequency and amount of dividends will be determined by the Board at its absolute discretion, having regard to these and other relevant factors.

The Company communicates declaration of dividend to shareholders via its financial results announcements that are made to SGX-ST via the SGXNet.

The Board is recommending a first and final dividend of 0.3 cent per ordinary share for FY2026, to be approved by shareholders at the forthcoming AGM.

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: Disclosure of Timely Information

The Board recognises the importance of maintaining regular, effective and fair communications with its shareholders. The Company complies with the disclosure requirements set out in the Listing Manual to ensure that material information is disclosed to shareholders in a timely, accurate and non-selective manner.

The Company seeks to provide shareholders with balanced and meaningful information on the Group's financial performance and material developments through timely half-year and full-year financial results announcements, as well as disclosures made to the SGX-ST via the SGXNET, press releases, annual reports and circulars to shareholders.

Additionally, the general meetings serve as an important forum for the Board to engage directly with the shareholders and address their queries and concerns. The Board always encourages shareholders' active participation at such meetings and provides them with reasonable opportunities to raise questions and express their views on matters relating to the Group's business, operations and performance.

The Company's website also provides shareholders with convenient access to information relating to the Group's businesses, corporate announcements and governance matters.

Provisions 12.2 and 12.3: Investor Relations Policy and Protocols

The Company's investor relations policy outlines the general principles and communication protocols to observe, when disclosing material information to its shareholders or the investment community.

The EDs are available to attend to views from shareholders and the investment community, who wish to better understand the corporate developments or financial performance of the Group.

A dedicated email address is available on the Company's website for shareholders to reach out to the investor relations contact.

MANAGING STAKEHOLDER RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

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

Provision 13.1: Identification and engagement with material stakeholders
Provision 13.2: Strategy and key areas of focus on management of stakeholders

The Company adopts the principle that to build confidence among stakeholders, there is a need to deliver sustainable value.

The Company has identified six key stakeholder groups, namely: the shareholders, customers, employees and outsourced workers, contractors and suppliers, regulators and local community.

The Sustainability Report included in this Annual Report, provides the Company's sustainability approach in identifying material stakeholders, as well as addressing stakeholders' concerns and methods and frequency of engagement.

Provision 13.3: Corporate website to engage with stakeholders

To promote regular, effective and fair communication with stakeholders, the Company maintains a website at www.sunright.com through which stakeholders are able to access up-to-date information on the Group and communicate with the Company.

OTHER CORPORATE GOVERNANCE MATTERS

Dealing in Securities

The Company has adopted a policy governing dealings in the Company's securities by its Directors and relevant officers of the Company and its subsidiaries. In accordance with the policy, Directors and relevant officers are prohibited from dealing in the Company's securities during the period commencing one month prior to the announcement of the Group's half-year and full-year results and ending on the date of the relevant results announcement. They are also prohibited from dealing in the Company's securities while in possession of unpublished price-sensitive information of the Group. Directors and relevant officers are further advised to refrain from dealing in the Company's securities on short-term considerations and are required to observe applicable insider trading laws and regulations at all times.

Interested Person Transactions

In FY2026, the Group did not enter into any transaction that would be regarded as an interested person transaction.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Sunright Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 July 2026.

For the purpose of the disclosures in this statement as required by the Companies Act 1967 (the "Act"), KESM Industries Berhad ("KESMI") and its subsidiaries are not considered as subsidiaries of the Company and have therefore been treated as associates of the Group by virtue of the Company's shareholding of 48.41% in KESMI.

However, in other sections within the financial statements, for the purpose of the disclosures as required by the Singapore Financial Reporting Standards (International) ("SFRS(I)"), KESMI and its subsidiaries are considered to be subsidiaries of the Group, following the requirement of SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1 - 27 *Separate Financial Statements*.

Opinions of the directors

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 July 2026 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Samuel Lim Syn Soo
Kenneth Tan Teoh Khoon
Daniel Soh Chung Hian
Sandy Foo Fei Ying
Dr. Babak Alizadeh Taheri

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

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

	Direct interest	
Name of directors	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company		
Samuel Lim Syn Soo	67,466,666	67,466,666
Kenneth Tan Teoh Khoon	2,130,000	2,130,000

By virtue of his interests in Sunright Limited, Mr Samuel Lim Syn Soo is deemed to have an interest in the shares of the subsidiaries of Sunright Limited (which excludes KESM Industries Berhad and its subsidiaries which, as explained in paragraphs two and three of this statement, are treated as associates for the purpose of this disclosure) in the proportion to its interest in the subsidiaries.

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

Options

The Company does not have an employee share option plan.

Audit and Risk Committee

The Audit and Risk Committee ("ARC") carried out its functions in accordance with Section 201B(5) of the Act, the Code of Corporate Governance 2018 and the Singapore Exchange Securities Trading Limited Listing Manual. These functions include a review of the financial statements of the Group and of the Company for the financial year and the independent auditor's report thereon, a review of the nature and extent of the non-audit services provided by the firm acting as the auditor and nomination for appointment of auditor. Full details of the nature and extent of the functions performed by the ARC are disclosed in the Corporate Governance Report.

DIRECTORS' STATEMENT

Auditor

Ernst & Young LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:

Samuel Lim Syn Soo
Director

Kenneth Tan Teoh Khoon
Director

Singapore
28 September 2026

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 July 2026

Independent auditor's report to the members of Sunright Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Sunright Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 July 2026, the statements of changes in equity of the Group and the Company, and the consolidated statement of profit or loss and other comprehensive income and consolidated cash flow statement of the Group 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, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 July 2026 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and 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 audits 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment assessment of property, plant and equipment

As at 31 July 2026, the carrying amount of the Group's property, plant and equipment was $52,590,000 (2025: $43,946,000), which represented 30% of the Group's total assets.

This area was significant to our audit due to the size of the carrying amount of the property, plant and equipment and assessing whether there are indicators of impairment which involves significant management judgement and estimation. As disclosed in Note 3.2(a) to the financial statements, if such indicators exist, the recoverable amount of property, plant and equipment is determined as the higher of its fair value less costs of disposal and its value in use which involved the use of significant judgement and estimation by management.

The value in use is determined by estimating projected cash flows expected to be generated by the property, plant and equipment discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the property, plant and equipment.

The fair value less costs of disposal method is determined by reference to external valuation reports provided by independent valuers at the reporting date. As a result, we identified this as a key audit matter.

Impairment assessment of property, plant and equipment (cont'd)

Our audit procedures included, among others:

- Evaluated management's assessment of whether there are indicators of impairment of property, plant and equipment, including consideration of external market factors and internal operating data.
- Where indicators were present, obtained an understanding of management's impairment model and the key assumptions used in estimating the recoverable amount of the property, plant and equipment.
- We reviewed the robustness of management's budgeting process by comparing the actual financial performance against previously forecasted results.
- We evaluated the reasonableness of key assumptions such as revenue, related production costs and discount rates.
- We performed sensitivity analysis on management's key estimates, after taking into consideration current business environment.
- We involved our internal valuation specialists in assessing the reasonableness of the discount rates and performed sensitivity analysis after considering the current market and economic conditions.
- We obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the property, plant and equipment and assessed whether such methodology is consistent with those used in the industry.
- We discussed with the independent valuers to obtain an understanding of the inputs used to the valuation models included, amongst others, the recent market transaction and quotation from suppliers and assessed the reasonableness by corroborating to available market data.
- We evaluated the competence, capabilities and objectivity of the independent valuers who provided the valuation reports.

We reviewed the adequacy of the disclosures made on Note 3 and Note 10 to the financial statements.

Other information

Management is responsible for other information. The other information comprises the information 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), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matter. 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.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 July 2026

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Kiranpreet Kaur Shahi.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
28 September 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 July 2026

(In Singapore Dollars)

	Note	2026 $'000	2025 $'000
Revenue	4	85,924	72,982
Other items of income			
Interest income	5	2,037	2,582
Dividend income		123	141
Other income		4,374	1,731
Items of expenses			
Raw materials and consumables used		(14,151)	(10,860)
Changes in inventories of finished goods and work-in-progress		748	435
Employee benefits expense	6	(35,068)	(33,468)
Depreciation of property, plant and equipment	10	(16,312)	(15,123)
Finance costs	7	(780)	(1,058)
Other expenses		(22,851)	(24,269)
Profit/(loss) before tax	8	4,044	(6,907)
Income tax expense	20	(1,091)	(198)
Profit/(loss), net of tax		2,953	(7,105)
Other comprehensive income/(loss):			
Item that will not be reclassified to profit or loss			
Remeasurement gain/(loss) arising from net defined benefit liabilities, net of tax	22	27	(24)
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation gain		3,456	3,482
Foreign currency translation differences reclassified to profit or loss upon liquidation and deconsolidation of subsidiaries		–	(430)
		3,456	3,052
Other comprehensive income for the year, net of tax		3,483	3,028
Total comprehensive income/(loss) for the year		6,436	(4,077)
Profit/(loss) attributable to:			
Owners of the Company		1,416	(5,827)
Non-controlling interests	12(b)	1,537	(1,278)
		2,953	(7,105)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		3,080	(4,639)
Non-controlling interests		3,356	562
		6,436	(4,077)
Earnings/(loss) per share - cents	9	1.2	(4.7)

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

STATEMENTS OF FINANCIAL POSITION

As at 31 July 2026

(In Singapore Dollars)

	Note	Group		Company	
		2026 $'000	2025 $'000	2026 $'000	2025 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	52,590	43,946	226	65
Investment in subsidiaries	12	–	–	5,578	5,578
Deferred tax assets	20(c)	1,878	1,817	–	–
Other receivables	15	354	362	–	–
Loans to a subsidiary	13	–	–	–	178
		54,822	46,125	5,804	5,821
Current assets					
Investment securities	25(b)	1,989	3,680	495	444
Inventories	14	1,903	1,735	–	–
Prepayments		1,953	578	158	126
Tax recoverable		143	1,726	–	–
Trade and other receivables	15	26,936	20,576	11,301	10,020
Loans to a subsidiary	13	–	–	178	233
Cash and short-term deposits	16	88,303	83,964	18,127	18,131
		121,227	112,259	30,259	28,954
Assets held for sale	10(c)	–	535	–	–
		121,227	112,794	30,259	28,954
Total assets		176,049	158,919	36,063	34,775
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	35,727	35,727	35,727	35,727
Retained earnings/(accumulated losses)		35,043	33,846	(6,953)	(7,079)
Other reserves	18	1,300	(337)	155	155
		72,070	69,236	28,929	28,803
Non-controlling interests	12(b)	55,909	53,392	–	–
Total equity		127,979	122,628	28,929	28,803
Non-current liabilities					
Other payables	21	182	–	–	–
Loans and borrowings	19	8,518	3,076	95	7
Defined benefit liabilities	22	2,099	1,913	–	–
Deferred tax liabilities	20(c)	901	1,524	–	–
		11,700	6,513	95	7
Current liabilities					
Trade and other payables	21	23,242	14,468	1,672	1,176
Derivatives	23(b)	43	31	–	–
Contract liabilities	4(b)	46	–	–	–
Loans and borrowings	19	12,255	15,009	5,094	4,535
Provisions		17	5	–	–
Income tax payable		767	265	273	254
		36,370	29,778	7,039	5,965
Total liabilities		48,070	36,291	7,134	5,972
Total equity and liabilities		176,049	158,919	36,063	34,775

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 July 2026

(In Singapore Dollars)

Group	Note	Equity, total	Total equity attributable to owners of the Company	Share capital	Retained earnings	Foreign currency translation reserve	Capital reserve	Statutory reserve fund	Other reserves, total	Non-controlling interests
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening balance at 1 August 2024		127,209	73,875	35,727	31,279	(4,480)	10,489	860	6,869	53,334
Loss for the year		(7,105)	(5,827)	–	(5,827)	–	–	–	–	(1,278)
Liquidation and deconsolidation of subsidiaries		–	–	–	8,418	254	(8,672)	–	(8,418)	–
Other comprehensive income for the year, net of tax		3,028	1,188	–	(24)	1,212	–	–	1,212	1,840
Total comprehensive loss for the year		(4,077)	(4,639)	–	2,567	1,466	(8,672)	–	(7,206)	562
Dividends paid to non-controlling interests	12(b)	(504)	–	–	–	–	–	–	–	(504)
As at 31 July 2025		122,628	69,236	35,727	33,846	(3,014)	1,817	860	(337)	53,392
Opening balance at 1 August 2025		122,628	69,236	35,727	33,846	(3,014)	1,817	860	(337)	53,392
Profit for the year		2,953	1,416	–	1,416	–	–	–	–	1,537
Other comprehensive income for the year, net of tax		3,483	1,664	–	27	1,637	–	–	1,637	1,819
Total comprehensive income for the year		6,436	3,080	–	1,443	1,637	–	–	1,637	3,356
Dividends on ordinary shares	29	(246)	(246)	–	(246)	–	–	–	–	–
Dividends paid to non-controlling interests	12(b)	(839)	–	–	–	–	–	–	–	(839)
As at 31 July 2026		127,979	72,070	35,727	35,043	(1,377)	1,817	860	1,300	55,909

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 July 2026

(In Singapore Dollars)

Company	Note	Total equity	Share capital	Accumulated losses	Capital reserve
		$'000	$'000	$'000	$'000
Opening balance at 1 August 2024		28,471	35,727	(7,411)	155
Profit for the year		332	–	332	–
Total comprehensive income for the year		332	–	332	–
As at 31 July 2025		28,803	35,727	(7,079)	155
Opening balance at 1 August 2025		28,803	35,727	(7,079)	155
Profit for the year		372	–	372	–
Total comprehensive income for the year		372	–	372	–
Dividends on ordinary shares	29	(246)	–	(246)	–
As at 31 July 2026		28,929	35,727	(6,953)	155

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 July 2026

(In Singapore Dollars)

	Note	2026 $'000	2025 $'000
Operating activities			
Profit/(loss) before tax		4,044	(6,907)
Adjustments for:			
Net gain on disposal of property, plant and equipment and assets held for sale	8	(2,826)	(464)
Depreciation of property, plant and equipment	10	16,312	15,123
Net write-back of inventories	8	(3)	(65)
Net (reversal of impairment)/impairment loss on trade receivables	15(b)	(253)	252
Dividend income		(123)	(141)
Net fair value loss on investment securities	8	52	963
Finance costs	7	780	1,058
Interest income	5	(2,037)	(2,582)
Gain on deconsolidation of a subsidiary	12(e)	–	(63)
Net unrealised exchange loss		380	13
Net unrealised loss on derivatives		12	61
Operating cash flows before changes in working capital		16,338	7,248
Changes in working capital:			
Increase in inventories		(165)	(626)
(Increase)/decrease in prepayments and receivables		(5,599)	1,431
Increase/(decrease) in payables and contract liabilities		3,667	(2,236)
Cash flows from operations		14,241	5,817
Income taxes refund/(paid), net		396	(820)
Interest paid		(715)	(1,112)
Interest received		2,143	2,757
Net cash flows from operating activities		16,065	6,642
Investing activities			
(Increase)/decrease in short-term deposits with maturity more than three months		(6,651)	13,584
Dividend received		123	141
Purchase of property, plant and equipment		(16,802)	(5,606)
Proceeds from disposal of property, plant and equipment and assets held for sale		2,692	547
Purchase of investment securities		(382)	(310)
Proceeds from disposal of investment securities		2,128	398
Net cash outflow from deconsolidation of a subsidiary	12(e)	–	(6,011)
Net cash flows (used in)/from investing activities		(18,892)	2,743
Financing activities			
Proceeds from bank loans		18,270	7,061
Repayment of bank loans		(17,327)	(14,385)
Repayment of principal portion of lease liabilities	19	(1,536)	(2,053)
Dividends paid on ordinary shares		(246)	–
Dividends paid to non-controlling interests	12(b)	(839)	(504)
Net cash flows used in financing activities		(1,678)	(9,881)
Net decrease in cash and cash equivalents		(4,505)	(496)
Effect of exchange rate changes on cash and cash equivalents		2,193	2,963
Cash and cash equivalents at beginning of the year		36,278	33,811
Cash and cash equivalents at end of the year	16	33,966	36,278

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

1. Corporate information

Sunright Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at Block 1093 Lower Delta Road #02-01/08, Singapore 169204.

The principal activities of the Company are that of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

2. Material accounting policy information

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) ("SFRS(I)").

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

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that on 1 August 2025, the Group and the Company adopted all amendments to standards which are effective for annual financial periods beginning on or after 1 January 2025. The adoption of these amendments to standards did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The amendments to standards and new standards that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below.

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 9 and SFRS(I) 7: *Classification and Measurement of Financial Instruments*	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7: *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Annual improvements to SFRS(I)s – Volume 11	1 January 2026
SFRS(I) 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
SFRS(I) 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to SFRS(I) 1-21: *Translation to a Hyperinflationary Presentation Currency*	1 January 2027
Amendments to SFRS(I) 1-28: *Fair Value Option for Investments in Associates and Joint Ventures*	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

2. Material accounting policy information (cont'd)

2.3 Standards issued but not yet effective (cont'd)

With the exception of SFRS(I) 18 *Presentation and Disclosure in Financial Statements*, the directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

SFRS(I) 18 replaces SFRS(I) 1-1 *Presentation of Financial Statements* and introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements ("PFS") and the notes.

In addition, narrow-scope amendments have been made to SFRS(I) 1-7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. SFRS(I) 18 and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted.

The Group is currently working to identify all impacts the amendments will have on the PFS and notes to the financial statements.

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. A list of the Group's subsidiaries is shown in Note 12.

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.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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 interests 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. Material accounting policy information (cont'd)

2.6 Functional and foreign currency

The consolidated financial statements are presented in SGD, 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 reporting date. 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 on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

(b) Consolidated financial statements

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

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Right-of-use assets are included within the same line item as that within corresponding underlying assets would be presented if they were owned and are accounted for in accordance with Note 2.14. Subsequent to recognition, all items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation, except for right-of-use assets which is depreciated in accordance with Note 2.14, is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	-	10 to 20 years
Renovation	-	5 years
Plant, machinery and test equipment	-	5 to 7 years
Motor vehicles	-	5 years
Office equipment, furniture and fittings and computers	-	3 to 10 years

Freehold land has an unlimited useful life and therefore is not depreciated. Certain assets are stated at cost and are not depreciated as these assets are not 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.

2. Material accounting policy information (cont'd)

2.7 Property, plant and equipment (cont'd)

The residual value, useful life and depreciation method are reviewed at the end of each reporting year, 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 profit or loss in the year the asset is derecognised.

2.8 Impairment of non-financial assets

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

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

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three to five years. For longer periods, a long-term growth rate is calculated and applied to projected future cash flows after the third to fifth year, depending on the period of the forecast.

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. Impairment losses relating to goodwill cannot be reversed in future periods.

2.9 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(a) power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);

(b) exposure, or rights, to variable returns from its involvement with the investee; and

(c) the ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. Material accounting policy information (cont'd)

2.10 Financial instruments

(a) Financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement

Financial assets at amortised cost (debt instruments)

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

The Group's financial assets at amortised cost include trade and other receivables, and cash and short-term deposits.

Financial assets at fair value through profit or loss ("FVPL")

Financial assets at FVPL include financial assets held for trading. Financial assets held for trading comprise investment securities and financial assets acquired principally for the purpose of selling or repurchasing them in the near term.

The Group also uses derivative financial instruments such as forward currency contracts to manage its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivative financial instruments that do not qualify for hedge accounting are taken to the profit or loss for the year. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

2. Material accounting policy information (cont'd)

2.10 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

Financial assets at fair value through profit or loss ("FVPL") (cont'd)

Subsequent to initial recognition, financial assets at FVPL are measured at fair value. Gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at FVPL do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at FVPL are recognised separately in profit or loss as part of other expenses or other income.

The Group classifies its investment securities and derivative assets under this category.

Derecognition

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

(b) Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

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

Derecognition

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

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2. Material accounting policy information (cont'd)

2.11 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVPL. 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 (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 (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.

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

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and deposits with banks, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, with a maturity of three months or less.

For the purpose of the consolidated cash flow statement, cash and cash equivalents are presented net of bank deposits with maturity more than three months.

2.13 Employee benefits

(a) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2. Material accounting policy information (cont'd)

2.13 Employee benefits (cont'd)

(c) Defined benefit plan

The Group's obligations under the defined benefit plan are estimated and determined based on the amount of benefit that eligible employees have earned in return for their service in the current and prior years. That benefit is discounted using the projected unit credit method in order to determine its present value. The discount rate is the market yield at the reporting date on high quality corporate bonds or government bonds. The amount recognised in the statement of financial position represents the present value of the defined benefit obligations.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Group recognises the service costs in the net defined benefit obligations under 'Employee benefits expense' and net interest under 'Finance costs' in profit or loss, and remeasurements of the defined obligation under 'other comprehensive income or loss'.

2.14 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.

(a) As a 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 to make lease payments and right-of-use assets representing the right to use the underlying assets.

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. 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. Otherwise, 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.

Depreciation of right-of-use assets is computed on a straight-line basis over the estimated useful lives or lease term of assets as follows:

Buildings	-	2 to 20 years
Leasehold land	-	60 to 99 years
Plant, machinery and test equipment	-	5 to 7 years
Motor vehicles	-	5 years
Office equipment, furniture and fittings and computers	-	3 to 5 years

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.8. The Group's right-of-use assets are disclosed in Note 11.

2. Material accounting policy information (cont'd)

2.14 Leases (cont'd)

(a) As a lessee (cont'd)

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, 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.

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.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of assets (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 to leases of assets that are considered to be low value. 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.

(b) As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.15.

2.15 Revenue

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

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or accepts the performance of service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. The Group does not provide variable element in consideration and obligation for returns or refunds.

(a) Sale of goods

Revenue is recognised when the goods are delivered to the customers and all criteria for acceptance have been satisfied.

Revenue is measured at the consideration promised in the contract with customers, less discounts and rebates.

A contract liability is recognised when the Group has not yet performed under the contract but has received advance payments from the customer. Contract liabilities are recognised as revenue as the Group performs under the contract.

2. Material accounting policy information (cont'd)

2.15 Revenue (cont'd)

(b) Rendering of services

Revenue is recognised when the performance obligation is satisfied at a point in time, that is upon the performance of services to the customers, which generally coincides with their acceptance.

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

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(e) Rental income

Rental income is accounted for on a straight-line basis over the lease terms and is included in other income in the consolidated statement of profit or loss and other comprehensive income due to its operating nature.

2.16 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 substantially enacted at the reporting date, in the countries where the Group operates and generates taxable income.

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

(b) Deferred tax

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

Deferred tax 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.

2. Material accounting policy information (cont'd)

2.16 Taxes (cont'd)

(b) Deferred tax (cont'd)

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 utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to 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 reporting date.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

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

(i) 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

(ii) receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.17 Government grant

Government grant is recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.18 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the key management who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

3. Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, 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

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

De facto control over investee

In assessing whether the Group has control over an investee where the Group holds less than a majority of voting rights, the Group considers factors such as the size of the Group's holding of voting rights relative to the size and dispersion of holdings of other vote holders as well as any additional facts and circumstances that indicate the Group has, or does not have, the current ability to direct the relevant activities of the investee, including the voting patterns at the investee's previous shareholders' meetings.

The Group concluded that it has *de facto* control over KESM Industries Berhad, which was consequently accounted for as a subsidiary company.

Indicator of impairment of property, plant and equipment

The Group follows the guidance provided by SFRS(I) 1-36 *Impairment of Assets* in determining whether there are indicators of impairment and where indicators are present, performs an impairment test of the cash-generating units ("CGUs") by comparing the carrying amounts with its recoverable amounts. This exercise involves management consideration of both internal and external sources of information which include but are not limited to: observable indications that the value of the property, plant and equipment has declined during the period significantly more than would be expected as a result of passage of time or normal use; significant adverse changes in the expected usage of property, plant and equipment or technological environment have taken place or will take place in the near future; significant increase in market interest rates; evidence of obsolescence of or physical damage to the property, plant and equipment; and worse than expected economic performance of the property, plant and equipment.

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) Carrying amount of property, plant and equipment

If any indicator of impairment exists, the Group makes an estimate of the property, plant and equipment's recoverable amount.

When recoverable amounts are determined based on value in use calculations, the discounted cash flow model, with certain key parameters such as discount rate and growth rates used reflect, amongst others, the maturity of the business development cycle as well as the industry growth potential. Management believes that the aforesaid variables are unlikely to materially result in the carrying amount of property, plant and equipment exceeding their recoverable amounts. In determining the recoverable amount using the fair value less costs of disposal method, management has engaged external valuers to determine the fair value of certain property, plant and equipment at the reporting date. The carrying amount of the Group's property, plant and equipment at the end of the reporting period is disclosed in Note 10.

3. Significant accounting estimates and judgements (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(b) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available in the future to recover these deferred tax assets. Significant management estimates are required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, including expectations for future sales as well as future overall market and economic conditions. The Group has recognised the deferred tax assets as it is probable that the Group will generate sufficient taxable profits in future which the deferred tax assets can be utilised.

The carrying amount of the Group's deferred tax assets at the end of the reporting period was $1,878,000 (2025: $1,817,000).

(c) Useful lives of plant, machinery and test equipment

The cost of plant, machinery and test equipment is depreciated on a straight-line basis over the assets estimated economic useful lives. Management estimates the useful lives of these plant, machinery and test equipment range from 5 to 7 years. These are common life expectancies applied in the semiconductor industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and equipment at the end of the reporting period is disclosed in Note 10.

4. Revenue

(a) Disaggregation of revenue

	Group	
	2026	**2025**
	$'000	**$'000**
Major type of goods and services		
Sale of goods	15,684	9,232
Rendering of services	70,240	63,750
	85,924	72,982
Primary geographical markets		
Singapore	8,147	5,348
Malaysia	50,015	43,671
Mainland China	11,850	12,818
United States	7,068	5,704
Others*	8,844	5,441
	85,924	72,982

* Others refer to other Asian markets, European markets and Middle East markets.

The goods and services are transferred to the customers at a point in time.

4. Revenue (cont'd)

(b) Contract liabilities

	Group	
	2026	**2025**
	$'000	**$'000**
Contract liabilities	46	–

Contract liabilities primarily relate to the Group's obligations to transfer goods and services to customers for which the Group has received advances from customers for sale of goods and services. Contract liabilities are recognised as revenue when the Group performs under the contract, usually upon delivery of the goods and completion of services to customers.

5. Interest income

	Group	
	2026	**2025**
	$'000	**$'000**
Interest income from:		
- Deposits with licensed banks	2,026	2,570
- Others	11	12
	2,037	2,582

6. Employee benefits expense

	Note	Group	
		2026	**2025**
		$'000	**$'000**
Employee benefits expense (including directors):			
- Wages, salaries and bonuses		29,883	28,238
- Contributions to defined contribution plans		1,495	1,424
- Defined benefit obligations	22	95	98
- Other benefits		3,595	3,708
		35,068	33,468

7. Finance costs

	Note	Group 2026 $'000	Group 2025 $'000
Interest expense on:			
- Bank loans		521	832
- Lease liabilities	11	200	179
- Defined benefit obligations	22	59	47
		780	1,058

8. Profit/(loss) before tax

The following items have been included in arriving at profit/(loss) before tax:

	Note	Group 2026 $'000	Group 2025 $'000
Audit fees paid to:			
- Auditors of the Company		222	229
- Other auditors		207	174
Non-audit fees paid to:			
- Auditors of the Company		107	120
- Other auditors		32	54
Net foreign exchange loss		698	469
Net loss/(gain) on derivatives		199	(74)
Net write-back of inventories	14	(3)	(65)
Net (reversal of impairment)/impairment loss on trade receivables	15	(253)	252
Net gain on disposal of property, plant and equipment and assets held for sale		(2,826)	(464)
Net fair value loss on investment securities		52	963
Other professional fees		487	395
Repairs and maintenance		6,387	6,603
Travelling and entertainment		697	601
Utilities		9,709	10,630
Lease expenses		735	299
Directors' remuneration:			
- Directors of the Company			
• Fees		176	172
• Salaries and bonuses		1,366	1,172
• CPF and other defined contributions		18	18
- Directors of subsidiaries			
• Fees		129	111
• Salaries and bonuses		551	509

9. Earnings/(loss) per share

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

The following tables reflect the profit/(loss) and share data used in the computation of basic earnings/(loss) per share for the years ended 31 July:

	Group	
	2026	**2025**
	$'000	**$'000**
Profit/(loss) attributable to owners of the Company	1,416	(5,827)

	Number of shares	**Number of shares**
	'000	**'000**
Weighted average number of ordinary shares for basic earnings/(loss) per share computation	122,806	122,806

	Cents	**Cents**
Basic earnings/(loss) per share	1.2	(4.7)

The Group has no potential ordinary shares in issue at the end of reporting date and therefore diluted earnings/(loss) per share has not been presented.

There has been no other transaction involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

10. Property, plant and equipment

Group	Buildings $'000	Freehold land and leasehold land^ $'000	Renovation $'000	Plant, machinery and test equipment* $'000	Motor vehicles $'000	Office equipment, furniture and fittings and computers $'000	Total $'000
Cost							
At 1 August 2024	13,157	2,592	12,358	278,979	2,034	7,837	316,957
Additions	666	–	616	5,284	–	127	6,693
Disposals	(1,449)	–	(551)	(6,549)	(259)	(543)	(9,351)
Modification	(173)	–	–	–	–	–	(173)
Reclassified to assets held for sale	(398)	(227)	–	–	–	–	(625)
Exchange differences	348	109	(132)	8,381	16	68	8,790
At 31 July 2025	12,151	2,474	12,291	286,095	1,791	7,489	322,291
Additions	1,076	–	367	21,367	336	431	23,577
Disposals	(1,043)	–	(23)	(12,752)	(297)	(247)	(14,362)
Modification	(367)	–	–	–	–	–	(367)
Exchange differences	397	81	570	10,831	9	127	12,015
At 31 July 2026	12,214	2,555	13,205	305,541	1,839	7,800	343,154

^ Included freehold land of a net carrying amount of $349,000 (2025: $338,000), after considering the effect of translation.

* Included in the Group's 'Plant, machinery and test equipment' of $9,709,000 (2025: $1,911,000), were not depreciated as they were not ready for use.

Group	Buildings $'000	Freehold land and leasehold land $'000	Renovation $'000	Plant, machinery and test equipment $'000	Motor vehicles $'000	Office equipment, furniture and fittings and computers $'000	Total $'000
Accumulated depreciation							
At 1 August 2024	8,804	663	11,804	235,709	1,840	6,792	265,612
Depreciation charge	1,555	36	252	12,777	54	449	15,123
Disposals	(1,370)	–	(551)	(6,559)	(259)	(537)	(9,276)
Modification	(161)	–	–	–	–	–	(161)
Reclassified to assets held for sale	(77)	(13)	–	–	–	–	(90)
Exchange differences	260	29	(147)	6,926	23	46	7,137
At 31 July 2025	9,011	715	11,358	248,853	1,658	6,750	278,345
Depreciation charge	1,261	35	334	14,244	85	353	16,312
Disposals	(1,043)	–	(22)	(12,715)	(297)	(248)	(14,325)
Modification	(351)	–	–	–	–	–	(351)
Exchange differences	357	23	540	9,535	10	118	10,583
At 31 July 2026	9,235	773	12,210	259,917	1,456	6,973	290,564
Net carrying amount							
At 31 July 2025	3,140	1,759	933	37,242	133	739	43,946
At 31 July 2026	2,979	1,782	995	45,624	383	827	52,590

10. Property, plant and equipment (cont'd)

Company	Renovation	Motor vehicles	Office equipment, furniture and fittings and computers	Total
	$'000	$'000	$'000	$'000
Cost				
At 1 August 2024	47	1,201	1,130	2,378
Additions	–	–	22	22
At 31 July 2025	47	1,201	1,152	2,400
Additions	–	214	6	220
Disposals	–	(134)	–	(134)
At 31 July 2026	47	1,281	1,158	2,486
Accumulated depreciation				
At 1 August 2024	47	1,201	1,023	2,271
Depreciation charge	–	–	64	64
At 31 July 2025	47	1,201	1,087	2,335
Depreciation charge	–	18	41	59
Disposals	–	(134)	–	(134)
At 31 July 2026	47	1,085	1,128	2,260
Net carrying amount				
At 31 July 2025	–	–	65	65
At 31 July 2026	–	196	30	226

10. Property, plant and equipment (cont'd)

(a) Additions

Additions of property, plant and equipment during the financial year were made by the following means:

	Note	Group		Company	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
Cash payments		11,951	2,551	99	22
Lease liabilities	11(b)	2,868	724	121	–
Other payables		8,758	3,418	–	–
		23,577	6,693	220	22

(b) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 11.

(c) Assets held for sale

On 28 May 2025, the Group entered into a sale and purchase agreement for the disposal of leasehold land and building for a cash consideration of approximately $1,216,000.

The disposal was completed on 9 January 2026.

11. Leases

As lessee

Buildings

The Group has lease contracts for offices and factories used in its operations, and accommodations for workers. These leases have contract terms of 2 to 5 years, and do not contain variable lease payments. The Group's obligation under its leases are secured by the lessor's title to the leased assets.

Leasehold land

The Group has made upfront payments to secure the right-of-use of 60 to 99 years leasehold land, which are used for production purposes. There are no externally imposed covenants on these lease arrangements.

Plant, machinery and test equipment, Motor vehicles, and Office equipment, furniture and fittings and computers

These leases have contract terms of 2 to 5 years, and do not contain variable lease payments. The lease arrangements prohibit the Group and the Company from subleasing to third parties.

Short-term leases and leases of low-value assets

The Group has certain leases of properties with lease terms of 12 months or less, and leases of plant, machinery and test equipment and office equipment with low value. The Company also has certain leases of office spaces with low value or lease terms of 12 months or less. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

11. Leases (cont'd)

As lessee (cont'd)

(a) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets classified within 'Property, plant and equipment' and the movements during the year:

Group	Buildings	Leasehold land	Plant, machinery and test equipment	Motor vehicles	Office equipment, furniture and fittings and computers	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 August 2024	3,437	1,592	687	193	144	6,053
Additions	666	–	52	–	–	718
Depreciation expenses	(1,483)	(36)	(133)	(55)	(60)	(1,767)
Transfer out upon lease maturity	–	–	(559)	–	–	(559)
Disposal	(79)	–	–	–	–	(79)
Modification	(12)	–	–	–	–	(12)
Reclassified to assets held for sale	–	(214)	–	–	–	(214)
Foreign exchange movement	35	71	(2)	(5)	–	99
At 31 July 2025	2,564	1,413	45	133	84	4,239
Additions	1,076	–	2,040	336	–	3,452
Depreciation expenses	(1,205)	(35)	(205)	(85)	(44)	(1,574)
Modification	(16)	–	–	–	–	(16)
Foreign exchange movement	79	46	3	(1)	–	127
At 31 July 2026	2,498	1,424	1,883	383	40	6,228

Company	Motor vehicles	Office equipment, furniture and fittings and computers	Total
	$'000	$'000	$'000
At 1 August 2024	–	78	78
Depreciation expenses	–	(44)	(44)
At 31 July 2025	–	34	34
Additions	214	–	214
Depreciation expenses	(18)	(29)	(47)
At 31 July 2026	196	5	201

11. Leases (cont'd)

As lessee (cont'd)

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Note	Group		Company	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
Lease liabilities					
At beginning of the year		2,921	4,312	35	87
Additions	10	2,868	724	121	–
Accretion of interest	7	200	179	2	5
Disposal	12(e)	–	(79)	–	–
Modification		–	(11)	–	–
Payments		(1,736)	(2,232)	(38)	(57)
Foreign exchange movement		88	28	–	–
At end of the year		4,341	2,921	120	35
Current	19	1,859	1,059	25	28
Non-current	19	2,482	1,862	95	7
		4,341	2,921	120	35

Lease liabilities denominated in foreign currencies as at 31 July are as follows:

	Group		Company	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Singapore Dollar	518	642	120	35
United States Dollar	137	215	–	–
Ringgit Malaysia	2,978	1,094	–	–
Renminbi	708	970	–	–
	4,341	2,921	120	35

11. Leases (cont'd)

As lessee (cont'd)

(c) Amount recognised in profit or loss:

	Note	Group		Company	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
Depreciation expense of right-of-use assets	11(a)	1,574	1,767	47	44
Interest expense on lease liabilities	7	200	179	2	5
Lease expense relating to short-term lease		665	163	85	81
Lease expense relating to low-value assets		70	136	–	–
Total amount recognised in profit or loss		2,509	2,245	134	130

The Group had total cash outflows for leases of $2,471,000 (2025: $2,531,000) in the current financial year. The Group also had non-cash additions to right-of-use assets and lease liabilities of $2,868,000 (2025: $724,000) in the current financial year.

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

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

	Group	
	2026	2025
	$'000	$'000
Extension options expected not to be exercised		
Within five years	222	39

11. Leases (cont'd)

As lessor

The Group has leased out their owned buildings to third parties for monthly lease payments. This lease is classified as operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

The future minimum rental receivable under non-cancellable operating leases contracted for at the end of the reporting period are as follows:

	Group	
	2026	2025
	$'000	$'000
Within one year	155	48
Later than one year but not later than five years	209	–
	364	48

12. Investment in subsidiaries

	Company	
	2026	2025
	$'000	$'000
Quoted shares, at cost	5,578	5,578
Unquoted shares, at cost	50,800	50,800
Allowance for impairment	(50,800)	(50,800)
	5,578	5,578

12. Investment in subsidiaries (cont'd)

(a) Composition of the Group

The Company has the following investments in subsidiaries:

	Name of company (Country of incorporation)	Principal activities (Principal place of business)	Proportion of ownership interest	
			2026 %	2025 %
	Held by the Company:			
^+	KEST Systems and Service Ltd. (Taiwan)	Provision of burn-in services and manufacturing of electronic equipment (Taiwan)	100*	100*
ϖ	KES Systems & Service (1993) Pte Ltd (Singapore)	Provision of burn-in services and manufacturing of burn-in equipment (Singapore)	100	100
ϖδ	KES Systems, Inc. (USA)	Research and development in burn-in and test related activities and manufacturing of burn-in and test equipment (USA)	100	100
✡	KESM Industries Berhad (Malaysia)	Investment holding and provision of semiconductor burn-in and testing services (Malaysia)	48#	48#
	Held by subsidiaries:			
✡	KES Systems & Service (M) Sdn. Bhd. (Malaysia)	Provision of burn-in support services (Malaysia)	100	100
✡	KES International Sdn. Bhd. (Malaysia)	Manufacturing of burn-in equipment (Malaysia)	100	100
µ	KES Systems & Service Philippines Inc. (Philippines)	Provision of product development services (Philippines)	100	100
✡	KESM Test (M) Sdn. Bhd. (Malaysia)	Provision of semiconductor testing services (Malaysia)	48#	48#
✡	KESP Sdn. Bhd. (Malaysia)	Provision of semiconductor burn-in and testing services (Malaysia)	48#	48#
✡δ	KESM Industries (Tianjin) Co., Ltd. (Mainland China)	Provision of semiconductor burn-in and testing services (Mainland China)	48#	48#

12. Investment in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

ϖ Audited by Ernst & Young LLP, Singapore.
✡ Audited by member firms of EY Global in the respective countries.
µ Audited by Punongbayan & Araullo, Philippines. SGX Listing Rule 716 is complied with.
This represents the legal interests of the Group. According to the SFRS(I) (see Note 3), Sunright Limited has *de facto* control over the company.
ه Audited for the purpose of Group consolidation.
+ Not material to the Group and not required to be disclosed under SGX Listing Rule 717.
* This represents the legal interest of the Group. According to the SFRS(I) (see Note 12(e)), Sunright Limited had lost control over the company.
^ Under voluntary liquidation.

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

The Group has the following subsidiary that has NCI that is material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI	Profit/(loss) allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period	Dividends paid to NCI
			$'000	$'000	$'000
2026					
KESM Industries Berhad	Malaysia	52%	1,537	55,909	839
2025					
KESM Industries Berhad	Malaysia	52%	(1,278)	53,392	504

(c) Summarised financial information about subsidiaries with material NCI

	KESM Industries Berhad and its subsidiaries	
	2026	2025
	$'000	$'000
Summarised statement of financial position		
Total assets	141,893	126,177
Total liabilities	(33,874)	(23,103)
Net assets	108,019	103,074

12. Investment in subsidiaries (cont'd)

(c) Summarised financial information about subsidiaries with material NCI (cont'd)

	KESM Industries Berhad and its subsidiaries	
	2026	**2025**
	$'000	**$'000**
Summarised statement of comprehensive income		
Revenue	70,240	63,750
Profit/(loss) for the year	2,980	(2,478)
Other comprehensive income/(loss)	208	(635)
Total comprehensive income/(loss) for the year	3,188	(3,113)
Summarised cash flow statement		
Net cash from operating activities	16,113	10,222
Net cash (used in)/from investing activities	(10,928)	1,691
Net cash used in financing activities	(1,762)	(12,232)
Net increase/(decrease) in cash and cash equivalents	3,423	(319)

(d) Impairment testing on investment in subsidiaries

Movement in allowance account:

	Company	
	2026	**2025**
	$'000	**$'000**
At beginning of the year	50,800	52,196
Charged to profit or loss	–	380
Written off	–	(1,776)
At end of the year	50,800	50,800

The Company considered whether there are indicators of impairment or reversal of impairment. Where such indicators existed, the Company determined recoverable amounts based on higher of its value in use and fair value less costs of disposal. During the financial year, the Company carried out an impairment assessment for its investment in subsidiaries. No impairment loss (2025: $380,000) and reversal of impairment (2025: $Nil) was recognised during the financial year.

12. Investment in subsidiaries (cont'd)

(e) Deconsolidation of a subsidiary

KEST Systems and Service Ltd. ("KEST"), a wholly-owned subsidiary of the Company, was placed under member's voluntary liquidation on 5 February 2025 and a liquidator was appointed on the same day to take control of KEST. According to SFRS(I) 10 *Consolidated Financial Statements*, the Company had lost control over KEST and therefore derecognised its relevant assets and liabilities at the date when the control was lost.

Derecognised assets and liabilities mainly consisted of:

	Note	2025 $'000
Property, plant and equipment		79
Other receivables		94
Cash and short-term deposits		6,011
		6,184
Other payables		(678)
Lease liabilities	11(b)	(79)
Net assets of deconsolidation		5,427

Liquidation consideration receivable and gain recognised from the deconsolidation:

	2025 $'000
Receivable from liquidation consideration	5,055
Less: Net assets of deconsolidation	(5,427)
Foreign currency translation differences reclassified to profit or loss upon deconsolidation	435
Gain on deconsolidation	63

Analysis of net cash outflow arising from deconsolidation:

	2025 $'000
Cash received	–
Net cash of subsidiary derecognised	(6,011)
Net cash outflow from deconsolidation	(6,011)

13. Loans to a subsidiary

	Company	
	2026	2025
	$'000	$'000
Loans to a subsidiary (non-current)	–	178
Loans to a subsidiary (current)	178	233
	178	411

The loans to a subsidiary are unsecured, bear interest rate of 3.15% per annum and is repayable within one (2025: two) year from the end of reporting date.

14. Inventories

	Group	
	2026	2025
	$'000	$'000
Raw materials	620	93
Consumables	680	603
Work-in-progress	589	1,025
Finished goods	14	14
Total inventories (at net realisable value)	1,903	1,735
Inventories recognised in "Other expenses" inclusive of the following charge/(credit):		
- Write-back of inventories	(4)	(69)
- Write-down of inventories	1	4
	(3)	(65)

The inventories were written back when the related inventories were sold.

15. Trade and other receivables

	Note	Group		Company	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
Non-current					
Other receivables:					
- Sundry deposits		354	362	–	–
Current					
Trade receivables:					
- Trade receivables		20,166	14,586	–	–
- Amounts due from subsidiaries (trade)		–	–	3,600	2,990
		20,166	14,586	3,600	2,990
Allowance for impairment:					
- Trade receivables		(43)	(390)	–	–
- Amounts due from subsidiaries (trade)		–	–	(2,457)	(2,125)
		20,123	14,196	1,143	865
Current					
Other receivables:					
- Sundry deposits		176	270	1	1
- Sundry receivables		6,637	6,110	4,866	5,174
- Amounts due from subsidiaries (non-trade)		–	–	6,743	5,432
		6,813	6,380	11,610	10,607
Allowance for impairment:					
- Amounts due from subsidiaries (non-trade)		–	–	(1,452)	(1,452)
		6,813	6,380	10,158	9,155
Total current trade and other receivables		26,936	20,576	11,301	10,020
Total trade and other receivables		27,290	20,938	11,301	10,020
Add: Loans to a subsidiary	13	–	–	178	411
Add: Cash and short-term deposits	16	88,303	83,964	18,127	18,131
Total financial assets at amortised cost		115,593	104,902	29,606	28,562

15. Trade and other receivables (cont'd)

(a) Trade and other receivables

Trade receivables, including amounts due from subsidiaries, are non-interest bearing and are generally on 30 to 90 days' terms (2025: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Sundry receivables are non-interest bearing and are to be repaid in cash. These include liquidation consideration receivable of approximately $4,795,000 (2025: $5,055,000).

(b) Receivables that are impaired

Trade and non-trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors who have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Expected credit losses

The movement in allowance for expected credit losses of trade and non-trade receivables, including amounts due from subsidiaries, computed based on lifetime ECL are as follows:

	Group		Company	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Movement in allowance account:				
At beginning of the year	390	407	3,577	–
(Reversal from)/charge to profit or loss	(253)	252	332	3,577
Written off	(99)	(276)	–	–
Exchange differences	5	7	–	–
At end of the year	43	390	3,909	3,577

During the financial year, reversal of impairment of $253,000 and impairment of $332,000 (2025: impairment of $252,000 and $3,577,000) was recognised in the statement of profit or loss of the Group and the Company respectively.

(c) Related party receivables

Amounts due from subsidiaries (trade and non-trade) are unsecured, non-interest bearing, repayable on demand and are to be repaid in cash.

The carrying amount of total trade and other receivables are denominated in the following currencies:

	Group		Company	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Singapore Dollar	262	605	6,506	4,965
United States Dollar	12,504	6,155	–	–
Ringgit Malaysia	5,679	5,689	–	–
Renminbi	4,048	3,429	–	–
Others*	4,797	5,060	4,795	5,055
	27,290	20,938	11,301	10,020

* Others include liquidation consideration receivable of approximately $4,795,000 (2025: $5,055,000) denominated in New Taiwan Dollar.

16. Cash and short-term deposits

	Group		Company	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Cash at banks and on hand	8,746	8,054	1,527	1,531
Deposits with licensed banks	79,557	75,910	16,600	16,600
Cash and short-term deposits	88,303	83,964	18,127	18,131
Less: Bank deposits with maturity more than three months	(54,337)	(47,686)	(12,400)	(5,900)
Cash and cash equivalents	33,966	36,278	5,727	12,231

Cash and short-term deposits are denominated in the following currencies:

	Group		Company	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Singapore Dollar	19,611	19,607	18,119	18,120
United States Dollar	2,323	1,646	8	11
Ringgit Malaysia	63,029	59,288	–	–
Renminbi	3,265	3,363	–	–
Others	75	60	–	–
	88,303	83,964	18,127	18,131

Cash at banks earns interest at floating rates based on daily bank deposits rates. Short-term deposits, other than those with maturity more than three months, are made for varying periods of between five days and three months (2025: between seven days and three months) depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. The weighted average effective interest rate of short-term deposits as at 31 July 2026 for the Group and the Company were 2.7% (2025: 2.9%) and 1.3% (2025: 2.1%) per annum respectively.

Cash and short-term deposits of $3,265,000 (2025: $3,363,000) held in People's Republic of China ("PRC") are subject to local exchange control restrictions. These regulations place restriction on the amount of currency being exported other than through dividends and trade-related transactions.

17. Share capital

	Group and Company			
	2026		2025	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares:				
Balance at beginning and end of the year	122,806	35,727	122,806	35,727

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, and have no par value.

18. Other reserves

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It also includes the cumulative exchange differences arising on monetary items that form part of the Group's net investment in foreign operations.

(b) Statutory reserve fund

In accordance with the Foreign Enterprise Law applicable to the subsidiary in the PRC, the subsidiary is required to make an appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

(c) Capital reserve

Capital reserve includes the shares of subsidiaries received by the Company arising from bonus issue. Capital reserve also accounted for the flow-through effects of investee company's accounting for capital reserves.

19. Loans and borrowings

	Note	Maturity	Group		Company	
			2026	2025	2026	2025
			$'000	$'000	$'000	$'000
Current						
Lease liabilities (secured)	11		1,859	1,059	25	28
Bank loans (unsecured)		2027	10,396	13,950	5,069	4,507
			12,255	15,009	5,094	4,535
Non-current						
Lease liabilities (secured)	11		2,482	1,862	95	7
Bank loans (unsecured)		2028 – 2030	6,036	1,214	–	–
			8,518	3,076	95	7
Total loans and borrowings			20,773	18,085	5,189	4,542

(a) Bank loans

The bank loans of the Group and the Company bore interest between 2.7% and 5.0% (2025: between 3.0% and 5.1%), and between 2.7% and 4.0% (2025: between 3.0% and 3.3%) per annum respectively at the reporting date.

(b) Lease liabilities

The lease liabilities of the Group and the Company bore interest between 2.5% and 8.6% (2025: between 4.2% and 7.2%), and between 2.5% and 7.0% (2025: between 7.0% and 7.2%) per annum respectively at the reporting date.

19. Loans and borrowings (cont'd)

A reconciliation of movement of liabilities to cash flows arising from financing activities is as follows:

Group	1 August 2025	Cash flows	Non-cash items			31 July 2026
			Acquisitions	Foreign exchange movement	Others	
	$'000	$'000	$'000	$'000	$'000	$'000
Bank loans						
- Current	13,950	(17,327)	–	280	13,493	10,396
- Non-current	1,214	18,270	–	45	(13,493)	6,036
Lease liabilities						
- Current	1,059	(1,536)	–	32	2,304	1,859
- Non-current	1,862	–	2,868	56	(2,304)	2,482
Total	18,085	(593)	2,868	413	–	20,773

Group	1 August 2024	Cash flows	Non-cash items			31 July 2025
			Acquisitions	Foreign exchange movement	Others	
	$'000	$'000	$'000	$'000	$'000	$'000
Bank loans						
- Current	12,858	(7,324)	–	447	7,969	13,950
- Non-current	8,825	–	–	358	(7,969)	1,214
Lease liabilities						
- Current	1,635	(2,053)	–	11	1,466	1,059
- Non-current	2,677	–	724	17	(1,556)	1,862
Total	25,995	(9,377)	724	833	(90)	18,085

The 'Others' column relates to the lease modification, lease disposal upon deconsolidation of KEST, and reclassification of non-current portion of loans and borrowings.

The carrying amounts of total loans and borrowings are denominated in the following currencies:

	Group		Company	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Singapore Dollar	7,087	6,284	5,189	4,542
United States Dollar	137	215	–	–
Ringgit Malaysia	8,507	9,684	–	–
Renminbi	5,042	1,902	–	–
	20,773	18,085	5,189	4,542

20. Income tax

(a) Major components of income tax expense

The major components of income tax expense for the financial years ended 31 July 2026 and 2025 are:

	Group	
	2026 $'000	2025 $'000
Statement of profit or loss and other comprehensive income		
Current income tax:		
- Current income tax	1,838	1,035
- Over provision in respect of previous years	(140)	(250)
- Real property gains tax	56	–
	1,754	785
Deferred tax:		
- Origination and reversal of temporary differences	(676)	(584)
- Under/(over) provision in respect of previous years	13	(3)
	(663)	(587)
Income tax expense recognised in the statement of profit or loss and other comprehensive income	1,091	198

(b) Relationship between tax expense and accounting profit/(loss)

The reconciliation between tax expense and the product of accounting profit/(loss) before taxation multiplied by the applicable corporate tax rate for the financial years ended 31 July 2026 and 2025 is as follows:

	Group	
	2026 $'000	2025 $'000
Profit/(loss) before tax	4,044	(6,907)
Tax calculated at statutory tax rate of 17% (2025: 17%)	687	(1,174)
Adjustments:		
Non-deductible expenses	307	381
Income not subject to tax	(328)	(48)
Effect of different tax rates on foreign income	294	(258)
Benefits from previously unrecognised deferred tax assets	(173)	–
Deferred tax assets not recognised	375	1,550
(Over)/under provision in respect of previous years		
- Current income tax	(140)	(250)
- Deferred tax	13	(3)
Real property gains tax	56	–
Income tax expense recognised in the statement of profit or loss and other comprehensive income	1,091	198

20. Income tax (cont'd)

(c) Deferred tax

Deferred tax as at 31 July relates to the following:

	Group		Group	
	Statement of financial position		Statement of profit or loss and other comprehensive income	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Deferred tax liabilities:				
Differences in depreciation for tax purposes	1,501	2,053	(623)	(591)
Other deductible temporary differences	(600)	(529)	(53)	5
	901	1,524	(676)	(586)
Deferred tax assets:				
Differences in depreciation for tax purposes	(633)	(600)	–	(1)
Unabsorbed capital allowances	(1,246)	(1,207)	1	(1)
Other deductible temporary differences	1	(10)	12	1
	(1,878)	(1,817)	13	(1)
Deferred tax credits recognised in the statement of profit or loss and other comprehensive income			(663)	(587)

(d) Unrecognised tax benefits

At the end of the reporting period, the Group has unutilised tax losses, unabsorbed capital allowances, differences in depreciation for tax purposes and other temporary differences of approximately $49,425,000 (2025: $49,513,000), $8,912,000 (2025: $8,968,000), $7,606,000 (2025: $7,181,000) and $4,407,000 (2025: $3,988,000) respectively, that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of their recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The tax losses in Mainland China and Malaysia can be carried forward for 5 years and 10 years respectively. The tax losses in Singapore and USA have no expiry date.

21. Trade and other payables

	Note	Group		Company	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
Non-current					
Other payables:					
- Deferred grant income		182	–	–	–
Current					
Trade and other payables:					
- Trade payables		4,264	3,661	–	–
- Accrued operating expenses		6,228	4,368	1,582	1,077
- Deferred grant income		70	–	–	–
- Sundry payables		12,680	6,439	37	99
- Amount due to subsidiaries (non-trade)		–	–	53	–
		23,242	14,468	1,672	1,176
Total trade and other payables		23,424	14,468	1,672	1,176
Less; Deferred grant income		(252)	–	–	–
Add: Loans and borrowings (excluding lease liabilities)		16,432	15,164	5,069	4,507
Total financial liabilities carried at amortised cost		39,604	29,632	6,741	5,683

Trade payables and sundry payables

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

Deferred grant income

Deferred grant income relates to government grants received for the purchase of certain property, plant and equipment. The deferred grant income is recognised in profit or loss on a systematic basis over the estimated useful lives of the related property, plant and equipment.

The carrying amounts of trade and other payables are denominated in the following currencies:

	Group		Company	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Singapore Dollar	5,768	3,049	1,672	1,176
United States Dollar	9,647	4,960	–	–
Ringgit Malaysia	4,292	3,882	–	–
Renminbi	3,613	2,469	–	–
Others	104	108	–	–
	23,424	14,468	1,672	1,176

22. Defined benefit liabilities

The Group operates two (2025: two) unfunded defined benefit plans. The level of benefit provided depends on eligible employees' length of service and their salary in their final years leading up to retirement.

The amount included in the consolidated statements of financial position arising from the Group's obligations in respect of its defined benefit plans is as follows:

	Group	
	2026	**2025**
	$'000	**$'000**
Present value of defined benefit obligations, representing net defined benefit liabilities:		
- Non-current	2,099	1,913

Changes in present value of the defined benefit obligations are as follows:

		Group	
	Note	**2026**	**2025**
		$'000	**$'000**
Balance at beginning of the year		1,913	1,675
Current service costs	6	95	98
Interest costs	7	59	47
Remeasurement (gain)/loss arising from changes in financial assumptions		(27)	24
Currency realignment		59	69
Balance at end of the year		2,099	1,913

The components of amounts recognised in profit or loss and in other comprehensive income in respect of the defined benefit plans are as follows:

Reported in profit or loss

	Group	
	2026	**2025**
	$'000	**$'000**
Current service costs	95	98
Interest costs	59	47
	154	145

22. Defined benefit liabilities (cont'd)

Remeasurement (gain)/loss recognised in other comprehensive income

	Group	
	2026	2025
	$'000	$'000
Remeasurement (gain)/loss arising from changes in financial assumptions	(27)	24

The principal assumptions used in determining the obligations for the defined benefit plans are shown below:

	Group	
	2026	2025
Discount rates	3.78% to 3.86%	3.61% to 3.65%
Expected rate of future salary increases	4.2%	4.3%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period. Assuming all other assumptions were held constant, the Group's defined benefit liabilities would be higher/(lower) by:

		Group	
	Increase/ (decrease)	2026 $'000	2025 $'000
Discount rates	0.25%	(22)	(25)
	(0.25%)	23	25
Expected rate of future salary increases	0.25%	23	25
	(0.25%)	(22)	(25)

The duration of the defined benefit obligations at the end of the reporting period is 3 to 6 years (2025: 4 to 7 years).

23. Commitments

(a) Capital commitments

Capital expenditure as at the end of reporting date is as follows:

	Group	
	2026	2025
	$'000	$'000
Property, plant and equipment		
- Authorised and contracted for	6,419	5,891

23. Commitments (cont'd)

(b) Financial instruments

Derivatives included in the statement of financial position at 31 July are as follows:

Group	Note	2026 Liabilities $'000	2025 Liabilities $'000
Forward currency contracts	25(b)	(43)	(31)

As at 31 July 2026, the Group held five (2025: nineteen) forward currency contracts, with total outstanding notional amounts of $1,308,000 (2025: $3,774,000). The outstanding forward contracts mature within 3 months (2025: 3 months).

The Group does not apply hedge accounting.

(c) Guarantees

As at 31 July 2026, the Company has provided corporate guarantees to the financial institutions for one of its subsidiaries in connection with loans and borrowings amounting to $1,500,000 (2025: $1,135,000).

24. Related party disclosures

Other than the related party information disclosed elsewhere in the financial statements, there are no other significant transactions between the Group and related parties.

Compensation of key management personnel

	Group	
	2026 $'000	2025 $'000
Salaries, bonuses and fees	2,782	2,402
CPF and other defined contributions	53	51
Total compensation paid to key management personnel	2,835	2,453

The remuneration of key management personnel are determined having regard to the performance of individuals and market trends.

25. Fair value of assets and liabilities

(a) Fair value hierarchy

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

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

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

There has been no transfer between levels of fair value measurements during the financial years ended 31 July 2026 and 2025.

(b) Assets and liabilities measured at fair value

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

Group	Note	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Total
		$'000	$'000	$'000
2026				
Financial assets/(liabilities):				
Equity securities at FVPL:				
- Investment securities (quoted)		1,989	–	1,989
Derivatives:				
- Forward currency contracts	23(b)	–	(43)	(43)
At 31 July 2026		1,989	(43)	1,946
2025				
Financial assets/(liabilities):				
Equity securities at FVPL:				
- Investment securities (quoted)		3,680	–	3,680
Derivatives:				
- Forward currency contracts	23(b)	–	(31)	(31)
At 31 July 2025		3,680	(31)	3,649

25. Fair value of assets and liabilities (cont'd)

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The model incorporates various inputs including foreign exchange spot and forward rates as well as forward rate curves.

(d) Assets and liabilities not measured at fair value and whose carrying amounts are reasonable approximation of fair value

Loans to a subsidiary (Note 13), trade and other receivables (Note 15), trade and other payables (Note 21), cash and short-term deposits (Note 16) and loans and borrowings (Note 19)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are instruments that are priced to market interest rates on or near the end of the reporting period.

26. Financial risk management objectives and policies

The Group's and the Company's overall risk management programme seeks to minimise potential adverse effects on financial performance of the Group that these risks may expose.

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Board of Directors reviews policies and procedures for the management of these risks. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been, throughout the current and previous financial year, the Group's and the Company'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.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure the risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risks arises primarily from their loans and borrowings. The Group and the Company obtain additional financing through bank borrowings and leasing arrangements.

The Group's and the Company's interest-bearing financial assets are mainly short-term in nature, where the surplus funds are placed with reputable licensed banks and financial institutions.

The Group's and the Company's policy is to obtain the most favourable interest rates available.

26. Financial risk management objectives and policies (cont'd)

(a) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 100 (2025: 100) basis points higher/lower with all other variables held constant, the Group's and the Company's profit before tax (2025: loss before tax) would have been $157,000 (2025: $179,000) and $47,000 (2025: $30,000) lower/higher (2025: higher/lower) respectively arising mainly as a result of higher/lower interest expense on floating rate loans and borrowings.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales and purchases that are denominated in currency other than the respective functional currencies of Group entities, primarily United States Dollar ("USD"). To manage its foreign currency risk, the Group has entered into forward contract arrangements with financial institutions as disclosed in Note 23(b).

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies (Note 16) for working capital purposes.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, namely Malaysia, United States, Mainland China and Philippines. The Group's net investments in foreign operations are not hedged as these currency positions are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the increase/(decrease) in the Group's profit before tax (2025: loss before tax) to a reasonably possible change in the USD exchange rate against Ringgit Malaysia ("RM") with all other variables held constant:

	Group	
	2026	**2025**
	$'000	**$'000**
USD/RM - strengthened 1% (2025: 1%)	21	(39)
USD/RM - weakened 1% (2025: 1%)	(21)	39

(c) 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 exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's cash and short-term deposits, operating cash flows, availability of banking facilities and debt maturity profile are actively managed to ensure adequate working capital requirements and that repayment and funding needs are met. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

26. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

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

Group	1 year or less $'000	1 to 5 years $'000	Total $'000
31 July 2026			
Financial assets:			
Investment securities	1,989	–	1,989
Trade and other receivables	26,938	378	27,316
Cash and short-term deposits	88,303	–	88,303
Total undiscounted financial assets	117,230	378	117,608
Financial liabilities:			
Trade and other payables	(23,172)	–	(23,172)
Derivatives	(43)	–	(43)
Lease liabilities	(2,064)	(2,605)	(4,669)
Loans and borrowings (excluding lease liabilities)	(10,779)	(6,345)	(17,124)
Total undiscounted financial liabilities	(36,058)	(8,950)	(45,008)
Total net undiscounted financial assets/(liabilities)	81,172	(8,572)	72,600
31 July 2025			
Financial assets:			
Investment securities	3,680	–	3,680
Trade and other receivables	20,576	378	20,954
Cash and short-term deposits	83,964	–	83,964
Total undiscounted financial assets	108,220	378	108,598
Financial liabilities:			
Trade and other payables	(14,468)	–	(14,468)
Derivatives	(31)	–	(31)
Lease liabilities	(1,173)	(1,959)	(3,132)
Loans and borrowings (excluding lease liabilities)	(14,197)	(1,228)	(15,425)
Total undiscounted financial liabilities	(29,869)	(3,187)	(33,056)
Total net undiscounted financial assets/(liabilities)	78,351	(2,809)	75,542

26. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

Company	1 year or less $'000	1 to 5 years $'000	Total $'000
31 July 2026			
Financial assets:			
Investment securities	495	–	495
Trade and other receivables	11,301	–	11,301
Loans to a subsidiary	180	–	180
Cash and short-term deposits	18,127	–	18,127
Total undiscounted financial assets	30,103	–	30,103
Financial liabilities:			
Trade and other payables	(1,672)	–	(1,672)
Lease liabilities	(28)	(99)	(127)
Loans and borrowings (excluding lease liabilities)	(5,080)	–	(5,080)
Total undiscounted financial liabilities	(6,780)	(99)	(6,879)
Total net undiscounted financial assets/(liabilities)	23,323	(99)	23,224
31 July 2025			
Financial assets:			
Investment securities	444	–	444
Trade and other receivables	10,020	–	10,020
Loans to a subsidiary	247	181	428
Cash and short-term deposits	18,131	–	18,131
Total undiscounted financial assets	28,842	181	29,023
Financial liabilities:			
Trade and other payables	(1,176)	–	(1,176)
Lease liabilities	(30)	(7)	(37)
Loans and borrowings (excluding lease liabilities)	(4,519)	–	(4,519)
Total undiscounted financial liabilities	(5,725)	(7)	(5,732)
Total net undiscounted financial assets/(liabilities)	23,117	174	23,291

As at the end of financial year, the contractual expiry of the Company's corporate guarantees matured within 1 year. This was based on the earliest period in which the corporate guarantee contracts could be called. The maximum amount of the corporate guarantee contracts are disclosed in Note 26(d)(ii).

26. Financial risk management objectives and policies (cont'd)

(d) 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 risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposits and derivatives), the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

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

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportable forward-looking information which includes the following indicators:

- internal credit rating
- external credit rating as and when necessary
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations

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

- there is a significant difficulty of the debtors
- a breach of contract such as a default or past due event
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation

The Group categorises a receivable for potential write-off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan. Where receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

(i) the carrying amount of each class of financial assets recognised in the statement of financial position, including derivatives with positive fair values; and

(ii) a nominal amount of $1,500,000 (2025: $1,135,000) relating to corporate guarantees provided by the Company to the financial institutions for one of its subsidiaries' loans and borrowings.

26. Financial risk management objectives and policies (cont'd)

(d) Credit risk (cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables, net of allowance, at the end of the reporting period is as follows:

Group	2026		2025	
	$'000	% of total	$'000	% of total
By country:				
Singapore	1,100	5	1,135	8
Malaysia	11,918	59	7,758	55
Mainland China	3,784	19	3,398	24
Other Asian markets*	521	3	96	1
United States	1,172	6	918	6
Others	1,628	8	891	6
	20,123	100	14,196	100
By industry sectors:				
Burn-in and testing	20,123	100	14,196	100

* Classified under "Other Asian markets" are Taiwan and Thailand.

At the end of the reporting period, approximately:

(i) 73% (2025: 66%) of the Group's trade receivables were due from 4 (2025: 3) major customers who are in the semiconductor industry; and

(ii) 57% (2025: 48%) of the Company's receivables were balances with related parties.

Trade receivables

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company determine expected credit losses of trade receivables by making debtor-specific assessment of expected impairment loss for long overdue trade receivables and using a provision matrix for remaining trade receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

26. Financial risk management objectives and policies (cont'd)

(d) Credit risk (cont'd)

Trade receivables (cont'd)

	Trade receivables past due			
	1 to 90 days	91 to 180 days	More than 180 days	Total
	$'000	$'000	$'000	$'000
Group				
As at 31 July 2026				
Trade receivables	2,062	47	43	2,152
Allowance for impairment	–	–	(43)	(43)
Trade receivables - net	2,062	47	–	2,109
As at 31 July 2025				
Trade receivables	1,196	–	390	1,586
Allowance for impairment	–	–	(390)	(390)
Trade receivables - net	1,196	–	–	1,196
Company				
As at 31 July 2026				
Trade receivables	213	198	2,046	2,457
Allowance for impairment	(213)	(198)	(2,046)	(2,457)
Trade receivables - net	–	–	–	–
As at 31 July 2025				
Trade receivables	439	149	1,537	2,125
Allowance for impairment	(439)	(149)	(1,537)	(2,125)
Trade receivables - net	–	–	–	–

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to market price risk arising from its investments in quoted equity instruments. These instruments are quoted on the SGX-ST in Singapore and Bursa Malaysia Securities Berhad in Malaysia, and are classified as held for trading. The Group does not have exposure to commodity price risk.

The Group's objective is to manage investment returns and equity price risk by investing in companies operating mainly in Singapore and Malaysia which are publicly traded.

Sensitivity for market price risk

At the end of the reporting period, if the share price of the quoted equity instruments had been 5% (2025: 5%) higher/lower with all other variables held constant, the Group's and the Company's profit before tax (2025: loss before tax) would have been $99,000 (2025: $184,000) and $25,000 (2025: $22,000) higher/lower (2025: lower/higher) respectively, arising as a result of higher/lower fair value gain on investment securities.

27. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 July 2026 and 2025.

As disclosed in Note 18, a subsidiary of the Group is required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary for the financial years ended 31 July 2026 and 2025.

The Group will continue to be guided by prudent financial policies of which gearing is an important aspect. The Group includes within net debt, loans and borrowings less cash and short-term deposits. Capital includes equity attributable to owners of the Company less statutory reserve fund.

		Group	
	Note	2026	2025
		$'000	$'000
Cash and short-term deposits	16	88,303	83,964
Less: Loans and borrowings	19	(20,773)	(18,085)
Net cash		67,530	65,879
Total equity attributable to owners of the Company		72,070	69,236
Less: Statutory reserve fund		(860)	(860)
		71,210	68,376

At the end of the reporting period, the Group's cash and short-term deposits exceed its loans and borrowings. Therefore, gearing ratio is not meaningful to the Group.

28. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has the following reportable business segments:

(i) burn-in and testing segment is in the business of burn-in and test related activities.

(ii) others segment involves Group-level corporate services, treasury and investments functions, and consolidation adjustments which are not directly attributable to particular business segment above.

Except as indicated above, no other operating segment has been aggregated to form the above reportable operating segments.

28. Segment information (cont'd)

Key management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are at terms agreed between the related parties, in a manner similar to transactions with third parties.

	Burn-in and testing	Others	Consolidated
	$'000	$'000	$'000
2026			
Revenue:			
External customers	85,924	–	85,924
Results:			
Segment profit/(loss)	3,067	(280)	2,787
Interest income			2,037
Finance costs			(780)
Profit before tax			4,044
Income tax expense			(1,091)
Profit for the year			2,953
Other information:			
Depreciation of property, plant and equipment	16,253	59	16,312
Additions to property, plant and equipment	23,357	220	23,577
2025			
Revenue:			
External customers	72,982	–	72,982
Results:			
Segment (loss)/profit	(9,058)	627	(8,431)
Interest income			2,582
Finance costs			(1,058)
Loss before tax			(6,907)
Income tax expense			(198)
Loss for the year			(7,105)
Other information:			
Depreciation of property, plant and equipment	15,059	64	15,123
Additions to property, plant and equipment	6,671	22	6,693

28. Segment information (cont'd)

(a) Geographical information

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

	Revenue		Non-current assets**	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Singapore	8,147	5,348	238	317
Malaysia	50,015	43,671	43,171	38,730
Mainland China	11,850	12,818	9,044	4,598
United States	7,068	5,704	92	183
Others*	8,844	5,441	45	118
	85,924	72,982	52,590	43,946

* Others refer to other Asian markets, European markets and Middle East markets.
** Non-current assets consist of property, plant and equipment.

(b) Information about major customers

The Group's customer base includes 4 (2025: 3) customers from burn-in and testing segment, with whom transactions have exceeded 10% of the Group's revenue. Revenue generated from these customers amounted to approximately $59 million (2025: $48 million).

29. Dividends

	Group and Company	
	2026	2025
	$'000	$'000
Recognised and paid during the financial year:		
First and final ordinary tax exempt (one-tier) dividend for 2025 at 0.2 (2024: Nil) cent per share	246	–
Proposed but not recognised as a liability as at 31 July:		
First and final ordinary tax exempt (one-tier) dividend for 2026 at 0.3 cent (2025 at 0.2 cent) per share	368	246

30. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 July 2026 were approved in accordance with a resolution of the directors on 28 September 2026.

SHAREHOLDERS' INFORMATION

As at 28 September 2026

Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	Number of Shareholders	%	Number of Shares	%
1 – 99	3	0.11	84	0.00
100 – 1,000	966	35.51	938,216	0.77
1,001 – 10,000	1,379	50.70	6,276,954	5.11
10,001 – 1,000,000	360	13.24	19,785,288	16.11
1,000,001 and above	12	0.44	95,805,458	78.01
Total	**2,720**	**100.00**	**122,806,000**	**100.00**

SUBSTANTIAL SHAREHOLDER

(as recorded in the Register of Substantial Shareholders)

Name	Number of Shares	%
Samuel Lim Syn Soo	67,466,666	54.94

TOP 20 SHAREHOLDERS

No.	Name	Number of Shares	%
1.	Samuel Lim Syn Soo	67,466,666	54.94
2.	Citibank Nominees Singapore Pte Ltd	4,847,021	3.95
3.	DBS Nominees (Private) Limited	4,665,300	3.80
4.	OCBC Securities Private Limited	3,475,400	2.83
5.	United Overseas Bank Nominees (Private) Limited	3,448,300	2.81
6.	Phillip Securities Pte Ltd	2,977,092	2.42
7.	Tan Teoh Khoon	2,130,000	1.73
8.	OCBC Nominees Singapore Private Limited	2,042,200	1.66
9.	Ang Ah Beng	1,526,500	1.24
10.	UOB Kay Hian Private Limited	1,181,000	0.96
11.	Than Li Seong	1,030,000	0.84
12.	Raffles Nominees (Pte.) Limited	1,015,979	0.83
13.	Chiang Kok Sung Lawrence	864,000	0.70
14.	Maybank Securities Pte. Ltd.	745,000	0.61
15.	Moomoo Financial Singapore Pte. Ltd.	616,500	0.50
16.	CGS International Securities Singapore Pte. Ltd.	558,900	0.46
17.	IFast Financial Pte. Ltd.	532,000	0.43
18.	Rajbhushan Buddhiraju or Anshu Kumar	509,400	0.41
19.	Yeo Wei Huang	501,000	0.41
20.	Gordon Cai Zhen Qiang or Wilson Cai WeiCheng	500,000	0.41
	Total	**100,632,258**	**81.94**

SHAREHOLDERS' INFORMATION

As at 28 September 2026

DIRECTORS' INTEREST AS AT 21 AUGUST 2026

	Number of Shares Held	
Name of Directors	**Direct**	**Deemed**
Samuel Lim Syn Soo	67,466,666	–
Kenneth Tan Teoh Khoon	2,130,000	–
Daniel Soh Chung Hian	–	–
Sandy Foo Fei Ying	–	–
Babak Alizadeh Taheri	–	–

TREASURY SHARES AND SUBSIDIARY HOLDINGS

Number of treasury shares: Nil
Number of subsidiary holdings: Nil

FREE FLOAT

As at 28 September 2026, approximately 43.3% of the issued ordinary shares of the Company were held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Eighth Annual General Meeting ("AGM") of Sunright Limited (the "Company"), will be held at Meeting Room 330, Level 3, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, on Monday, 23 November 2026 at 10.00 a.m., for the following purposes: -

Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 July 2026 and the Auditor's Report thereon. **Resolution 1**

2. To declare a tax exempt one-tier first and final dividend of 0.3 Singapore cent per ordinary share, for the financial year ended 31 July 2026 ("Final Dividend"). **Resolution 2**

3. To re-elect the following directors retiring by rotation under Article 87 of the Company's Constitution and who, being eligible, offer themselves for re-election.

   (a) Mr Samuel Lim Syn Soo **Resolution 3**

   (b) Ms Sandy Foo Fei Ying **Resolution 4**

   [See Explanatory Notes below]

4. To approve the payment of Directors' fees of S$175,700 (2025: S$172,381), in respect of the financial year ended 31 July 2026. **Resolution 5**

5. To re-appoint Messrs Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

6. To transact any other business which may properly be transacted at an annual general meeting.

By Order of the Board

Adeline Lim Kim Swan
Company Secretary
26 October 2026

Explanatory Notes:

Resolution 3 – Mr Samuel Lim Syn Soo, upon re-election as Director of the Company, will remain as a member of the Nominating Committee.

Resolution 4 – Ms Sandy Foo Fei Ying, upon re-election as Director of the Company, will remain as Chairman of the Remuneration Committee and a member of the Audit and Risk Committee and Nominating Committee. She is considered an Independent Non-Executive Director for the purpose of Rule 704(8) of the Listing Manual of SGX-ST.

Detailed information on Mr Samuel Lim Syn Soo and Ms Sandy Foo Fei Ying who are proposed for re-election at the AGM can be found under "Board of Directors" and "Additional Information on Directors Seeking Re-Election at the AGM" in the Company's Annual Report 2026.

NOTICE OF ANNUAL GENERAL MEETING

Important Notes:

1. **Format of Meeting.** The AGM will be held in a **wholly physical format**. Members and proxy(ies) have to attend the AGM in person as there will be **no option to participate virtually**.

2. **Notice of AGM and Proxy Form.** Printed copies of this Notice of AGM and accompanying Proxy Form will not be sent to members. Instead, they will be published on and can be accessed at the Company's website, at the URL https://sunright.com/investor-relations/ and SGX website, at the URL https://www.sgx.com/securities/company-announcements.

3. **Submission of Substantial and Relevant Questions Relating to the Agenda of the AGM**

   Members may **submit the questions in advance of the AGM**, in the following manner:

   (a) by posting to Sunright Limited, c/o Complete Corporate Services Pte Ltd, 10 Anson Road, #29-07 International Plaza, Singapore 079903; or

   (b) by email to sunright-agm@complete-corp.com,

   in either case, by **10.00 a.m. on 3 November 2026**.

   When submitting questions by post or via email, please also provide your full name, NRIC (last 3 numerical digits and checksum)/Passport (last 4 numerical digits) no./Company Registration No., address and the manner in which you hold shares in the Company (e.g. via CDP, CPF or SRS).

   The Company will endeavour to address the substantial and relevant questions and publish on its website, at the URL https://sunright.com/investor-relations/ and SGX website, at the URL https://www.sgx.com/securities/company-announcements **after trading hours on 18 November 2026**. If there are subsequent clarifications sought, or follow-up questions (which are related to the resolutions to be tabled for approval at the AGM) received after the cut-off time for the submission of questions which have not already been addressed prior to the AGM, these may be addressed at the AGM.

   Where substantially similar questions are received, the Company will consolidate these questions. As such, not all questions will be addressed individually.

   Members, duly appointed proxy(ies) and corporate representatives can also ask the questions at the AGM itself.

4. **Voting.** All the resolutions will be put to vote at the AGM (and at any adjournment thereof) by way of a poll.

5. **Appointment of Proxy(ies)**

   (i) A member is entitled to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf. A proxy need not be a member of the Company.

   (ii) A member (who is not a Relevant Intermediary) is entitled to appoint not more than two proxies. Where such member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.

   "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Singapore Companies Act 1967.

   (iii) A member who is a Relevant Intermediary, is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

   (iv) Where a member appoints proxy(ies), he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the proxy(ies) may vote or abstain from voting at his/her/its discretion.

   (v) A member can appoint the Chairman of the AGM as his/her/its proxy, but this is not mandatory.

   (vi) The **Proxy Form must be duly completed, signed and submitted** in the following manner:

      (a) by posting to Sunright Limited, c/o Complete Corporate Services Pte Ltd, 10 Anson Road, #29-07 International Plaza, Singapore 079903; or

      (b) by email to sunright-agm@complete-corp.com,

      in either case, by **10.00 a.m. on 20 November 2026**, being 72 hours before the time appointed for holding the AGM. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant Proxy Form, to the AGM.

(vii) CPF/SRS investors who hold the Company's shares:

(a) may attend the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or

(b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their CPF Agent Banks/SRS Operators to submit their votes by 5.00 p.m. on 11 November 2026.

6. Any reference to a time of day is made by reference to Singapore time.

7. **Annual Report 2026.** Printed copies will not be sent to members. Instead, it will be published on and can be accessed at the Company's website, at the URL https://sunright.com/investor-relations/ and SGX website, at the URL https://www.sgx.com/securities/company-announcements. Nonetheless, a limited number have been printed for shareholders.

   For members who still wish to receive a printed copy, he/she/it may submit his/her/its request by downloading the Request Form from the Company's website at the URL https://sunright.com/investor-relations/. The duly completed Request Form must be submitted to and reach the Company no later than 6 November 2026.

Other Notes:

1. Printed copies of the Annual Report 2026 may be collected at the AGM (subject to availability), on a first come, first served basis.

2. The Company will record or take photograph during the AGM for its record archival and minutes purposes. By participating in the AGM, member(s), proxy(ies) and corporate representatives will be deemed to have consented to the Company's recording and/or taking photographs of him or her at the AGM.

3. We seek your understanding that **no refreshment will be served at the AGM**.

Personal Data Privacy:

By submitting the Proxy Form appointing proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company accepts and agrees that all personal data provided to the Company is subject to its Privacy Policy, which is available at www.sunright.com.

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that subject to the approval of the members for the Final Dividend being obtained at the AGM, the Register of Members and the Transfer Books of the Company will be closed from 5.00 p.m. on 26 November 2026 for the purpose of determining members' entitlements to the Final Dividend.

Duly completed registrable transfers of the ordinary shares of the Company received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 up to 5.00 p.m. on 26 November 2026 will be registered before entitlements to the Final Dividend are determined.

Members whose Securities Account with The Central Depository (Pte) Limited are credited with ordinary shares of the Company as at 5.00 p.m. on 26 November 2026 will be entitled to the Final Dividend.

The Final Dividend, if approved by members at the AGM, will be paid on 11 December 2026.

By Order of the Board

Adeline Lim Kim Swan
Company Secretary
26 October 2026

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

(pursuant to Rule 720(6) and Appendix 7.4.1 of the Listing Manual)

Mr Samuel Lim Syn Soo and Ms Sandy Foo Fei Ying are the retiring Directors who are seeking re-election at the AGM under Ordinary Resolutions 3 and 4 as set out in the Notice of AGM dated 26 October 2026.

Name of Director	**Samuel Lim Syn Soo**	**Sandy Foo Fei Ying**
Date of Appointment	9 March 1978	1 February 2021
Date of last re-appointment	24 November 2023	22 November 2024
Age	72	53
Country of principal residence	Singapore	Singapore
The Board's comments on this re-election / appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	Mr Samuel Lim is Founder, Chairman and CEO of the Company. A pioneer in the local semiconductor industry, he has successfully managed the Group through many semiconductor cycles and introduced innovative products and service offerings to differentiate the Group from its competitors. The Board has accepted the recommendation of the Nominating Committee for the re-election of Mr Samuel Lim as Director; after taking into consideration his deep institutional knowledge of the Group, vast experience in the semiconductor and electronics industry, and strong leadership and stewardship as Chairman and Chief Executive Officer. The Board noted his strong overall performance including his role in providing direction to the Board and management, and his significant contributions to the effectiveness of the Board and the continued growth and development of the Group. Mr Samuel Lim had abstained from deliberating on and making the recommendation in respect of his own nomination and re-election. Upon re-election, Mr Samuel Lim will continue to serve as a member of the Nominating Committee. The Board is of the view that its current composition provides an appropriate balance and diversity of skills, gender, age, tenure, experience and expertise as well as an appropriate level of independence, to enable the Board to discharge its duties and responsibilities effectively and provide sound leadership and direction to the Group.	The Board has accepted the recommendation of the Nominating Committee for the re-election of Ms Sandy Foo as Director; after taking into consideration her qualifications, professional expertise and experience, and her contributions to the Board. Ms Sandy Foo had abstained from deliberating on and making the recommendation in respect of her own nomination and re-election. Upon re-election, Ms Sandy Foo will continue to serve as Chairman of the Remuneration Committee and a member of the Audit and Risk Committee and Nominating Committee. The Board is of the view that its current composition provides an appropriate balance and diversity of skills, gender, age, tenure, experience and expertise as well as an appropriate level of independence to enable the Board to discharge its duties and responsibilities effectively and provide sound leadership and direction to the Group.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

(pursuant to Rule 720(6) and Appendix 7.4.1 of the Listing Manual)

Name of Director	Samuel Lim Syn Soo	Sandy Foo Fei Ying
Whether appointment is executive, and if so, the area of responsibility	Executive Board leadership and responsible for the general management of the Group.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member, etc.)	- Board Chairman and Chief Executive Officer - Member of Nominating Committee	- Independent Non-Executive Director - Chairman of Remuneration Committee - Member of Audit and Risk Committee - Member of Nominating Committee
Professional qualifications	Diploma in Industrial Engineering (Canada)	- LLB (Hons), National University of Singapore - Advocate & Solicitor of the Supreme Court of Singapore
Working experience and occupation(s) during the past 10 years	Company Director and Chief Executive Officer	Lawyer since 1997
Shareholding interest in the listed issuer and its subsidiaries	Sunright Limited – 67,466,666 shares	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal commitments including directorships		
Past (for the last 5 years):	<u>Directorships</u> - Kestronics Philippines, Inc. - KES Systems & Service (Shanghai) Co., Ltd - KEST Systems and Service Ltd. (In Voluntary Liquidation)	<u>Principal Commitments</u> - Council Member of the Institute of Valuers and Appraisers, Singapore

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

(pursuant to Rule 720(6) and Appendix 7.4.1 of the Listing Manual)

Name of Director	Samuel Lim Syn Soo	Sandy Foo Fei Ying
Present:	Directorship in Listed Company - KESM Industries Berhad Directorship in Non-Listed Companies - KES Systems & Service (1993) Pte Ltd - KES Systems & Service (M) Sdn. Bhd. - KES Systems & Service Philippines Inc. - KES International Sdn. Bhd. - KES Systems, Inc. - KESM Test (M) Sdn. Bhd. - KESP Sdn. Bhd. Major Appointment (other than Directorships) Nil	Directorship in Listed Company Nil Directorship in Non-Listed Company Nil Major Appointments (other than Directorships) - Partner, Rajah & Tann LLP - Honorary Secretary, Governing Council Dover Park Hospice - Independent Member (MOE nomination) of Board for the Teaching and Testing of South Asian Languages - Council Member, Singapore Road Safety Council

Information required

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?

(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?

(c) Whether there is any unsatisfied judgement against him?

(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?

(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

(pursuant to Rule 720(6) and Appendix 7.4.1 of the Listing Manual)

(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?

(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?

(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?

(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?

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–

    (i) 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 such entities in Singapore or elsewhere; or

    (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

    (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

    in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

Mr Samuel Lim Syn Soo's and Ms Sandy Foo Fei Ying's responses to the above-mentioned items (a) to (k) were all "No".

SUNRIGHT LIMITED

Co. Reg. No.197800523M
(Incorporated in the Republic of Singapore)

FORTY-EIGHTH ANNUAL GENERAL MEETING ("AGM")
PROXY FORM

IMPORTANT

1. Relevant intermediary as defined in Section 181 of the Singapore Companies Act 1967 may appoint more than two proxies to attend, speak and vote at the AGM.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of proxy(ies) to attend, speak and vote on a member's behalf, at the AGM.
4. By submitting this Proxy Form, the member accepts and agrees that all personal data provided to the Company is subject to its Privacy Policy, which is available at www.sunright.com.

I/We _____ (Full Name), NRIC/Passport/Company Registration No. _____

of _____ (Full Address)

being a member/members of Sunright Limited (the "Company"), hereby appoint

Name	**NRIC/Passport Number**	**Proportion of Shareholdings** (see Note 3)	
		Number of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport Number**	**Proportion of Shareholdings** (see Note 3)	
		Number of Shares	**%**
Address			

or failing either or both of the persons referred to above, the Chairman of the AGM, as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the AGM to be held at Meeting Room 330, Level 3, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 23 November 2026 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy(ies) to vote for or against, or abstain from voting the resolutions proposed at the AGM as indicated hereunder. If no specific direction in respect of a resolution is given or in the event of any item arising not summarised below, my/our proxy(ies) may vote or abstain from voting at his/her discretion.

Resolutions	**For***	**Against***	**Abstain***
Ordinary Business			
1. Adoption of the Directors' Statement and Audited Financial Statements together with the Auditor's Report thereon			
2. Declaration of Final Dividend			
3. Re-election of Mr Samuel Lim Syn Soo as Director			
4. Re-election of Ms Sandy Foo Fei Ying as Director			
5. Approval of Directors' fees			
6. Re-appointment of Auditor and authorisation for Directors to fix their remuneration			

* *You may tick (√) within the relevant box to vote for or against, or abstain from voting, in respect of all your shares for each resolution. Alternatively, you may indicate the number of shares that you wish to vote for or against, and/or abstain from voting, for each resolution in the relevant box.*

Dated this _____ day of _____ 2026

Total Number of Shares Held	

_____

Signature(s)/Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

IMPORTANT: PLEASE READ THE FOLLOWING NOTES.

Notes:

1. If a member has ordinary shares in the Company entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of ordinary shares. If a member has ordinary shares in the Company registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of ordinary shares. If a member has ordinary shares entered against his/her/its name in the Depository Register and ordinary shares registered in the Register of Members, he/she/it should insert the aggregate number of ordinary shares. If no number is inserted, this Proxy Form shall be deemed to relate to all the ordinary shares held by the member.

2. A member is entitled to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf. A proxy needs not be a member of the Company.

3. A member (who is not a Relevant Intermediary) is entitled to appoint not more than two proxies. Where such member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.

   "Relevant Intermediary" has the meaning as ascribed to it in Section 181 of the Singapore Companies Act 1967.

4. A member who is a Relevant Intermediary, is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

5. Where a member appoints proxy(ies), he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the proxy(ies) may vote or abstain from voting at his/her/its discretion.

6. A member can appoint the Chairman of the AGM as his/her/its proxy, but this is not mandatory.

7. The **Proxy Form must be duly completed, signed and submitted** in the following manner:

   (a) by posting to Sunright Limited, c/o Complete Corporate Services Pte Ltd, 10 Anson Road, #29-07 International Plaza, Singapore 079903; or

   (b) by email to sunright-agm@complete-corp.com,

   in either case, by **10.00 a.m. on 20 November 2026**, being 72 hours before the time appointed for holding the AGM.

8. Appointment of proxy(ies) shall not preclude a member from attending, speaking and voting at the AGM. The appointment of proxy(ies) shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person(s) appointed under the relevant Proxy Form, to the AGM.

9. The Proxy Form must be signed under the hand of the appointor or of his/her/its attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

10. Where the Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which it may be treated as invalid.

11. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Singapore Companies Act 1967.

12. In the case of joint holders of shares, any one of such persons may vote, but if more than one of such persons be present at the AGM, the person whose name stands first on the Register of Members or in the Depository Register (as the case may be) shall alone be entitled to vote.

13. Any alteration made to the Proxy Form should be initialled by the appointor who signs it.

14. The Company shall be entitled to reject the Proxy Form 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 Proxy Form (including any related attachment). In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any Proxy Form lodged or submitted if the member, being the appointor, is not shown to have ordinary shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

15. Any reference to a time of day is made by reference to Singapore time.

SUNRIGHT LIMITED
(COMPANY REG. NO. 197800523M)

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