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GDS Global Limited

STRENGTHENING FOUNDATIONS BUILDING MOMENTUM

ANNUAL REPORT 2024

CONTENTS

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

The contact person for the Sponsor is Ms. Audrey Mok (Tel: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

CORPORATE PROFILE

A leading specialist provider of commercial and industrial door and shutter solutions in Singapore and the South East Asia region.

With an operating history since 1982, GDS Global Limited (the "**Company**" or "**GDS**" and together with its subsidiaries, the "**Group**") is a leading specialist provider of commercial and industrial door and shutter solutions in Singapore and the South East Asia region.

Backed by its strong technical expertise, proprietary know-how and technology-based solutions, the Group's extensive range of door and shutter systems can be tailored to the specific needs and requirements of its customers. The Group's products include door systems, fire-rated shutter systems and doors for special applications which are widely used across a broad spectrum of industries such as manufacturing, retail, food processing, hospitality, health, education, aerospace, security and defence.

Underscoring its technology-driven edge, GDS is the first Singapore manufacturer which can offer steel insulated fire shutters with an insulation value of up to 240 minutes. The Group also provides service and maintenance works for the products supplied or installed by the Group or third parties, and sale of production components.

GDS is headquartered in Singapore where it operates one of the largest manufacturing facilities amongst industry players, spanning an area of approximately 7,797 square metres.

In 2013, GDS became a public-listed company on the Catalist board of the Singapore Exchange Securities Trading Limited (Stock code: 5VP).

Please visit www.gdsglobal.com.sg for more information.

BUSINESS OVERVIEW

DOOR SYSTEMS

We manufacture and supply an extensive range of door and shutter systems that can be tailored to our customers' specific needs and requirements. These systems, which comprise our own proprietary products as well as third party products, include:

BLAST SHUTTER

- Blast Mitigating Shutter
- Blast Resistant Shutter

COMMERCIAL DOOR SYSTEMS

- Alfresco Steel Roller Shutters
- Continuous Sheet Roller Door
- Crystal Aluminium Shutters
- CrystalClear Transparent Shutter
- Premium Aluminium Roller Grille
- Security Shutters
- *Butzbach* Glass Stacking Door

FIRE-RATED SHUTTER SYSTEMS

We manufacture and supply a range of proprietary fire-rated shutter systems, that serve as effective barriers against fire in the event of a fire, while doubling as security shutters under normal circumstances. Our fire-rated shutter systems are tested against a set of stringent criteria set by various regulatory authorities in recognised test laboratories and are accorded a performance rating for fire insulation and integrity. Our range of fire-rated shutter systems includes:

- Non-insulated Fire Shutter
- Thermal-insulated Fire Shutter
- Fire-insulated Roller Shutter
- Fire-insulated Panel Shutter

GARAGE DOOR SYSTEMS

- Various types of garage door systems such as sectional garage doors, roller doors and *Renlita* tilt-up doors, for use in private homes.

HANGAR DOOR SYSTEMS

- *Butzbach* Sliding Hangar Door
- *Gliderol* GIANT Series Hangar Door


INDUSTRIAL DOOR SYSTEMS

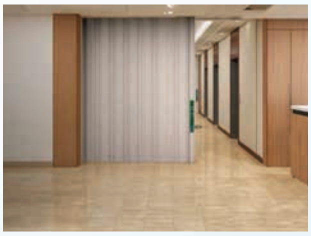
- Continuous Sheet Roller Door
- Heavy Duty Roller Shutter
- Insulated Roller Shutter
- GIANT Series Extra-large Roller Shutters
- Louvred Roller Shutters
- High Security Roller Shutter
- Sectional Overhead Door
- *Renlita* Bi-folding Door
- *Butzbach* Stacking Door


STORM SHUTTER

- High Wind Pressure-Resistant Shutter


SPECIAL APPLICATIONS

- *Butzbach* NOVOSPRINT High Speed Traffic Door
- *Gliderol* Swift High Speed Roll-up Traffic Door
- *Gliderol* Horizontally Coiling Hatch
- *Gliderol* Fall Arrestor
- *Won-Door* DuraSound Acoustic Accordion Door
- *Won-Door* FireGuard Fire-rated Accordion Door



NON-DOOR SYSTEMS

Through its majority-owned subsidiary, Grimm Industries Pte. Ltd., the Group also trades and designs production components that include engineering and machinery tools, hardware, industrial metal parts and fixtures.

SERVICE AND MAINTENANCE WORKS

Our maintenance services are offered on a renewable fixed term service contract basis and on an ad hoc basis. We have identified these services as a potential growth area that can provide a source of recurring income for us.

- Preventive and general maintenance
- Repair, replacement and overhaul of faulty components
- Safety checks

CHAIRMAN'S MESSAGE TO SHAREHOLDERS

Dear Fellow Shareholders,

It is a privilege to address you in my inaugural message as Chairman of GDS Global Limited ("**GDS**" or the "**Group**"). This past year has been one of meaningful transformation for GDS as our new Board and leadership team, joined the company early in the financial year and focused on mapping out a recovery path to build a stronger, more resilient, and future-focused GDS.

Since the transition, the team and I have dedicated significant efforts in ensuring a smooth transition for employees and aligning them with the new pace set forth by the new management. Importantly, we have not only persevered but amplified our multi-pronged strategy, focusing on revenue growth, stringent cost management, and continuous product innovation. These efforts have yielded results, strengthening the foundation needed to support GDS's turnaround and long-term, sustainable growth.

For the year ended 30 September 2024 ("**FY2024**"), GDS achieved a 9.5% increase in revenue to S$13.36 million driven by the post-pandemic recovery of Singapore's construction sector and our amplified focus on this market. Our net loss, excluding one-off costs related to our Rights cum Warrants issue in August 2024, has narrowed to S$1.98 million and we believe we are well-positioned for the future given our proactive measures to align our operations with evolving market demand and enhance our financial stability.

Amplifying Revenue, Cost Management and Innovation

In FY2024, one of our primary focuses was to ensure operational continuity and sustain revenue growth amidst leadership transitions. Central to this was the strengthening of both our distributorship network and sales and marketing effort, which included deepening relationships with existing partners and forging new partnerships. Our success was reflected by improved topline contributions from both local and export markets.

In Singapore, we secured more local projects to capitalise on the sector's steady post-pandemic recovery. These efforts were underpinned by the management team's extensive experience and well-established networks in the construction industry, which enabled us to identify emerging opportunities more quickly. In line with our aim to boost our recurring income from the service and maintenance work business, we added more manpower in this segment in FY2024, which bolstered our capacity to handle the multi-year term contracts we secured from the town councils and other asset owners during the year.

Internationally, we continue to maintain strong partnerships in Vietnam, Malaysia, Taiwan, and Hong Kong, while marking a significant milestone with our entry into the United States through an exclusive partnership with Blast Resource Group, LLC ("**BRG**") to market and distribute Gliderol's blast-mitigating and blast-resistant shutters. This partnership makes us the sole provider of these products in the US, addressing a critical market gap for products specifically designed and tested to withstand explosions. We look forward to this new collaboration bearing fruit in the longer-term future.

Prudent cost management, including optimising the capacity utilisation and operational efficiency of our manufacturing facility, was another aspect the management also prioritised in FY2024. We successfully addressed bottlenecks, reduced idle time, minimised material wastage in our production processes. As a result of this streamlining, our production output for shutters in FY2024 more than doubled from a year ago with corresponding improvement in per unit cost. We also enhanced our supply chain stability through more diversified procurement practices including tapping a larger supplier network for critical components, such as roll steel and motors. These measures have eased the impact of higher labour and material costs on the Group to a certain extent.

On the innovation front, we passed critical fire tests for our patented fourth-generation Gliderol® Insulated Fire Roller Shutter ("**IFS-4G**") in Malaysia and Singapore in FY2024. This single-layer all-steel roller shutter withstands intense flames without overheating or igniting combustible materials on the other side, effectively halting the spread of fire. Its single-layer design enhances cost efficiency, reduces maintenance needs, and provides space savings, which are features valued by architects.

The IFS-4G 120 model is one of a few roller shutters in Malaysia certified for 120 minutes of fire insulation and integrity, while the IFS-4G 240 model set a new standard in Singapore with 240 minutes of fire resistance. These certifications pave the way for commercial sales in both markets. With its advanced fire insulation, cost-effectiveness, and compact design, the IFS-4G is ideal for industrial factories, warehouses, data centres, shopping malls, hospitals, and government projects of various scale.

To support our growth plans, we completed a Rights cum Warrants issue that raised net proceeds of S$1.96 million through the issuance of 112 million Rights Shares at S$0.02 apiece. Each Rights Share comes with two free detachable unlisted warrants, with each warrant carrying the right to subscribe for one warrant share, with an exercise price of S$0.06 apiece and a five-year maturity date. The issuance was fully-subscribed, demonstrating shareholders' confidence in the new Board and leadership team, as well as strengthening our financial position and capital base.

One Team, One Direction

Our team is committed to a unified vision of resilience and growth with our people at the core. A priority in the months to come will be on enhancing our cohesive, goal-focused culture to align with our long-term objectives. This will be reinforced through targeted team building initiatives and a collaborative environment of ownership in every colleague, ensuring that we continue to grow together as one team with a unified direction.

The IFS-4G is set to be the star product and new engine of growth for the Group. Looking ahead, we plan to actively roll-out IFS-4G in certain markets in Asia, where we see promising opportunities for such compliance products, backed by favourable infrastructure development trends. These markets include Singapore, Malaysia, Indonesia and Thailand.

Singapore's construction industry is gaining momentum, with demand projected to grow between S$31 billion and S$38 billion per year from 2025 to 2028[1]. Similarly, Malaysia's construction sector is poised to grow by 9.4% in 2025, fuelled by infrastructure projects like LRT3 Phase 2 and the Sarawak-Sabah Link Road Phase 2, as well as robust demand for industrial facilities from approved investments and upcoming hubs like the Kerian Integrated

1 Building & Construction Authority, "Steady Demand for the Construction Sector Projected for 2024", 15 January 2024

CHAIRMAN'S MESSAGE TO SHAREHOLDERS

Green Industrial Park and Johor-Singapore Special Economic Zone.[2] For Indonesia, the sector is set to grow by around 6% annually from 2025 to 2028[3] supported by rising foreign and domestic investments in the energy and transport sectors. Meanwhile, Thailand's 2025 economic outlook remains positive[4] with the construction sector set to benefit from the government's efforts to boost private investment, including expediting infrastructure projects, and advance the Eastern Economic Corridor[5] initiative.

In response to these trends, we will actively pursue opportunities in the region's industrial and commercial doors and shutters market particularly Singapore, upholding the necessary due diligence to ensure the credit-worthiness of potential customers and minimise collection risks. We intend to work closely with our existing distributors, tapping their market knowledge to turn these potential opportunities into reality and simultaneously explore opportunities for new distributor partnerships and increase our product range. Plans are underway to grow our recurring revenue base including offering service and maintenance works for third party products and pursuing term-maintenance contracts in Singapore. In parallel, we are exploring new ways to strengthen our operational resilience by minimising costs, improving supply chain efficiency and enhancing the efficacy of our production and installation processes. This could involve leveraging economies of scale through the network effect or utilising subcontracted labour, among others.

Sustainability remains a core focus. We are progressively transitioning our vehicle fleet to electric lorries, an initiative that aligns with our commitment to reduce carbon emissions and foster long-term environmental stewardship.

As we look to the future, we are aware of the continued uncertainty in the global economic environment, due to the Russia-Ukraine and Middle East conflicts, as well as US-China trade tensions. We also face ongoing challenges from rising material and labour costs. With our stronger financial foundation, solid operations, and determined and cohesive team, we believe we are well-positioned to navigate the road ahead.

Appreciation

It is an honour to succeed Mr. Michael Wong, our former Non-Executive Non-Independent Chairman, who stepped down in May 2024. His inspirational leadership and unwavering dedication have been instrumental in laying the foundation on which GDS continues to grow. We are deeply grateful for his many contributions and steadfast guidance over the years.

I would also like to extend my heartfelt thanks to the former Board for their counsel and commitment to GDS. Their efforts have provided a strong platform for us to pursue our journey with confidence.

To my fellow directors of the Board, management team and staff, thank you for your trust, collaboration, hard work and understanding of the necessary adjustments. Your commitment has been integral to our transformation, and I am confident that our combined efforts will elevate GDS to new heights. To our customers, partners, suppliers, and shareholders, we deeply appreciate your support. Your confidence drives us to build a stronger, more resilient GDS for the future.

Yours sincerely,

Tang Hee Sung
Non-Executive Non-Independent Chairman

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2 Ministry of Finance Malaysia, "Economic Outlook 2025", 18 October 2024

3 The Construction in Indonesia - Key Trends and Opportunities to 2028 (Q3 2024)

4 Office of the National Economic and Social Development Council, "Thai Economic Performance in Q3 of 2024 and the Outlook for 2024 – 2025", 18 November 2024

5 News Release issued by Eastern Economic Corridor Office of Thailand, 8 July 2024

FINANCIAL HIGHLIGHTS

(Financial Year Ended 30 September)

	FY2024	FY2023	FY2022
INCOME STATEMENT (S$'000)			
Revenue	**13,360**	12,203	13,664
Gross profit	**4,428**	3,387	4,017
Net (loss)	**(2,270)**	(2,118)	(1,675)
Gross profit margin (%)	**33.1**	27.8	29.4
Net (loss) margin (%)	**(17.0)**	(17.4)	(12.3)
BALANCE SHEET (S$'000)			
Total assets	**17,663**	19,152	23,340
Total liabilities	**8,759**	9,327	11,177
Total equity	**8,904**	9,825	12,163
Cash and cash equivalents	**4,302**	5,876	7,177
CASH FLOWS (S$'000)			
Operating cash flows	**(1,244)**	597	(29)
Capital expenditure	**(149)**	(181)	(154)
PER SHARE INFORMATION (SINGAPORE CENTS)			
Basic (Loss) per share	**(1.94)**	(2.09)	(1.90)
Diluted (Loss) per share	**(1.51)**	-	-
Net asset value per share	**3.41**	7.00	9.03
Market Capitalisation (S$'000)[1]	**10,976**	**6,160**	**3,920**

[1] Based on GDS's closing share price as at the end of respective financial years

OPERATIONS AND FINANCIAL REVIEW

REVIEW OF INCOME STATEMENTS

Revenue

For the financial year ended 30 September 2024 ("**FY2024**"), the Group reported a revenue of S$13.36 million, an increase of 9.5% as compared to S$12.20 million for the financial year ended 30 September 2023 ("**FY2023**"). The revenue growth was primarily driven by the sale of door and shutter systems for projects completed in the second half of FY2024, spurred by the post-pandemic recovery of Singapore's construction sector and the Group's intensified focus on this market.

In FY2024, the Group's revenue from the sale of door and shutter systems improved by 26.4% to S$5.59 million, while revenue from service and maintenance works rose marginally by 0.5% to S$3.38 million.

Meanwhile, revenue from the trading of production components declined by 0.6% to S$4.39 million in FY2024, as demand for such products from our Euro zone customers continued to be affected by the ongoing Russian-Ukraine conflict.

Singapore remained the Group's largest market in FY2024, contributing 58.2% of revenue or S$7.78 million. Europe followed with a 27.8% share amounting to S$3.71 million, while the Asia Pacific region accounted for 10.7% or S$1.44 million of the year's total revenue. These markets registered revenue growth of 9.9%, 10.1% and 2.2% respectively for the year. The Group's additional markets, comprising North America, the Middle East, East Asia and Other countries, collectively contributed S$0.44 million in sales or approximately 3.3% of FY2024's revenue.

Cost of Sales and Gross Profit

Compared to the quantum of revenue improvement, cost of sales increased modestly by 1.3% to S$8.93 million in FY2024, from S$8.82 million in FY2023, as the Group utilised raw materials from its inventories, resulting in just a marginal rise in the purchase of raw materials.

This, together with higher revenue and reduced outsourced sub-contractor works in FY2024, contributed to a 30.7% increase in gross profit to S$4.43 million, compared to S$3.39 million in FY2023. Consequently, gross profit margin improved to 33.1% in FY2024 as compared from 27.8% in FY2023.

Expenses

Total expenses of the Group rose by 15.7% to S$6.51 million in FY2024 compared to S$5.62 million in FY2023. Most of the increase came from administrative expenses, which rose 18.6% to S$5.67 million in FY2024 from S$4.78 million in FY2023. This was mainly due to an one-off transaction cost in relation to the Rights cum Warrants issue that the Group completed in August 2024, additional headcount salaries and related statutory payments and professional fees.

Marketing and distribution expenses and other operating expenses marked marginal increases, rising 1.3% to S$0.32 million and 3.2% to S$0.36 million in FY2024 respectively. The latter's rise was primarily due to an one-off adjustment of an advance payment made in prior years, which is no longer recoverable as the Group did not proceed with the project. Meanwhile, finance costs decreased by 12.6% to S$0.15 million in FY2024 due to the reducing balance basis applied to Right-of-Use ("**ROU**") assets.

Other Operating Income, Other Losses and Interest Revenue

Other operating income of the Group more than doubled to S$0.26 million in FY2024 from S$0.12 million in FY2023, mainly from the full amortisation of deferred grants income related to the fixed assets disposed in the second half of FY2024. At the same time, other losses amounted to S$0.40 million in FY2024 compared to S$0.12 million in FY2023 mainly as a result of losses from the disposal of fixed assets.

Additionally, interest revenue earned by the Group rose 46.2% to S$19,000 in FY2024 attributed to longer tenure of fixed deposits placed with the bank compared to FY2023.

Loss for the year

There was an income tax expense of S$71,000 in FY2024 versus an income tax credit of S$105,000 in FY2023 arising from an one-off reversal of a deferred tax liability adjustment in FY2023.

In view of the factors above, the Group recorded a net loss of S$2.27 million in FY2024, as compared to a net loss of S$2.12 million in FY2023. However, excluding the one-off transaction cost for the Rights cum Warrants Issue incurred in the second half of FY2024, which amounted to S$0.29 million, the Group would have narrowed its net loss to S$1.98 million in FY2024.

REVIEW OF FINANCIAL POSITION

As of 30 September 2024, the Group remained in a financially sound position with zero gearing and cash and equivalents of S$4.30 million.

Current assets increased by S$0.46 million to S$10.39 million as at 30 September 2024 from S$9.93 million as at 30 September 2023. This increase was mainly due to a rise in trade and other receivables of S$0.89 million which is in line with FY2024's higher revenue; an increase in contract assets of S$0.78 million mainly from higher projects claims; and an increase in inventories of S$0.35 million to maintain stock levels for certain projects. These gains were offset by a decrease in cash and cash equivalents of S$1.57 million used to fund working capital, purchase of Property, Plant and Equipment ("**PPE**") and financing activities. Non-current assets decreased by S$1.94 million to S$7.28 million as at 30 September 2024, from S$9.22 million as at 30 September 2023, mainly due to the disposal of PPE, depreciation and amortisation of ROU and intangible assets.

Current liabilities increased by S$0.87 million to S$4.27 million as at 30 September 2024 from S$3.40 million as at 30 September 2023, mainly due to an increase in trade and other payables of S$1.01 million for the purchase of inventories for committed projects and an increase in lease liabilities of S$0.13 million due to addition of new hire purchases of motor vehicles. These were partially offset by a decrease in contract liabilities which mainly comprised deposits received from customers of S$0.26 million. Meanwhile, non-current liabilities decreased by S$1.44 million to S$4.49 million as at 30 September 2024 from S$5.93 million as at 30 September 2023, primarily due to a S$1.3 million reduction in lease liabilities, reflecting the shortened remaining lease periods over the contractual lease term.

Total equity of the Group was S$8.90 million as at 30 September 2024 compared to S$9.83 million as at 30 September 2023. This was due to the current year's loss and lower contribution from non-controlling interests (after dividend declared) and an increase in share capital to S$7.49 million from the completed Rights cum Warrants Issue completed in August 2024.

BOARD OF DIRECTORS

TANG HEE SUNG

Non-Executive Non-Independent Chairman

Date of first appointment: 2 August 2024

Mr Tang Hee Sung was appointed to our Board on 29 November 2023 and is a member of the Nominating Committee. He brings with him extensive management experience and a strong business network gleaned from his years working in Singapore's building and construction industry. Presently, he is the Chief Executive Officer of the Teambuild Land group of companies, a role he has held since 2008. Concurrently, Mr Tang also holds directorships in other non-listed companies in the building and construction business. He holds a Master of Science (Management in Technology) from the National University of Singapore and a Bachelor of Science (Engineering) from Arizona State University, USA.

Present and past directorships in other listed companies: Nil

LEE PEI FANG (GINA)

Executive Director

Date of first appointment: 1 November 2023

Ms Lee Pei Fang (Gina), who has been with the Group for over 30 years, was appointed as its Executive Director on 1 November 2023. As Executive Director, she is responsible for the day-to-day business operations of the Group and also oversees its business expansion and strategic business direction. Ms Lee was previously a director and senior manager of the Group's Corporate Affairs, Human Resource and Administration departments, where she assisted the former Chairman and CEO, Mr Michael Wong, in running the Group's business. Having first joined the Group in 1991, Ms Lee has worked her way up the management ranks, gaining in-depth knowledge and well-rounded experience of the commercial and industrial doors industry in the process. In the course of her career with the Group, she has held positions that included Management Executive and Manager (Human Resource and Administration). Ms Lee obtained a Diploma in Business Efficiency & Productivity (Personnel Management) from the Institute for Productivity Training of the National Productivity Board of Singapore in 1994.

Present and past directorships in other listed companies: Nil

AW ENG HAI

Lead Independent Non-Executive Director

Date of first appointment: 25 October 2023

Mr Aw Eng Hai was appointed to our Board on 25 October 2023. He chairs the Audit Committee and is a member of the Nominating and Remuneration Committees. Mr Aw is a public accountant and a partner of Foo Kon Tan LLP where he heads departments providing specialist advisory services. He has over 20 years of experience providing business advisory services to companies. Prior to joining the commercial sector, Mr Aw was an investigator in the Commercial Affairs Department (CAD) where he was involved in complex commercial fraud investigation. Mr Aw holds a Bachelor of Business Administration (Honours) from the National University of Singapore. He is also a practising member of the Institute of Singapore Chartered Accountants (ISCA), a Fellow of the Association of Chartered Certified Accountants (ACCA), a Fellow of Insolvency Practitioners Association of Singapore (IPAS), a member of INSOL International and a member of the Singapore Institute of Directors (SID).

Present directorships in other listed companies:
- Luminor Financial Holdings Limited (SGX-ST)
- TOTM Technologies Limited (SGX-ST)
- Tritech Group Limited (SGX-ST)

Past directorships in other listed companies:
- Capital World Limited (SGX-ST)

- Mr Michael Wong stepped down as Non-Executive Non-Independent Chairman with effect from 2 May 2024 due to his age and health condition.

CHEAM HENG HAW, HOWARD

Independent Non-Executive Director

Date of first appointment: 25 October 2023

Mr Howard Cheam was appointed to our Board on 25 October 2023. He is Chairman of the Remuneration and Nominating Committees and a member of the Audit Committee. Mr Cheam is an equity partner at Rajah & Tann Singapore LLP and practices in the specialised field of Capital Markets and Mergers and Acquisitions (M&A). He has extensive background in initial public offerings, reverse takeovers as well as both public and private M&A transactions within and outside of Singapore. His experience includes various fund-raising exercises for listed and unlisted companies such as the issue of bond instruments, convertible instruments and placements. In addition, he also handles general corporate and advisory work, such as joint ventures, trade transactions and investments. He holds a Bachelor of Law from King's College, University of London and is a member of the Law Society of Singapore and the Singapore Academy of Law.

Present directorship in other listed companies:
- Aedge Group Limited (SGX-ST)

Past directorships in other listed companies:
- TOTM Technologies Limited (SGX-ST)

DOREEN YEW LAI LENG

Independent Non-Executive Director

Date of first appointment: 25 October 2023

Ms Doreen Yew was appointed to our Board on 25 October 2023. She is a member of the Audit Committee, Remuneration Committee and Nominating Committee. Ms Yew, who is a lawyer by training, is currently the Director, Business Development at NeoAsia (S) Pte Ltd. She brings with her extensive experience in corporate strategy and business development gleaned from a career that spanned almost two decades in the pharmaceutical industry. She was most recently Vice President, Business Development at Axcynsis Therapeutics Pte Ltd. Prior to that, she was with Zuellig Pharma Asia Pacific, a leading healthcare solutions company in Asia, from 2011 to 2018 where she last held the role of Regional Business Development Manager. Ms Yew holds a Bachelor of Arts (Honours) in Law and English from the University of Keele, the United Kingdom.

Present and past directorships in other listed companies: Nil

- All information relating to the Directors in this section, unless otherwise mentioned, are accurate as at 9 December 2024 being the latest practicable date for the preparation of this section.

SENIOR MANAGEMENT

KENNY ZHANG

Chief Operating Officer

Mr Kenny Zhang joined the Group on 2 January 2024, bringing with him over 21 years of industry experience in the areas of business strategy, corporate governance, project management, processes streamlining and optimisation, among others. As a Chief Operating Officer, Mr Zhang is responsible for formulating the Group's strategic directions and expansion plans in conjunction with other key executives. He also oversees the development of overseas markets and manages the Group's operational efficiency and budgetary controls.

He commenced his career in audit practices, and spent seven years at Deloitte & Touche. Over the course of his career, he held senior financial positions in several SGX listed companies and across diverse industries including offshore oil and gas, property development and manufacturing.

Mr Zhang holds a Bachelor of Science in Applied Accounting from Oxford Brookes University (UK). He was a Fellow member of the Association of Chartered Certified Accountants (UK) and has been a Chartered Accountant with the Institute of Singapore Chartered Accountant since 2007.

GOH JOO SAN

Chief Financial Officer

Ms Goh Joo San was appointed to her current senior management role on 29 September 2023. As Chief Financial Officer, she takes charge of the Group's financial and accounting functions which includes regulatory compliance, internal controls and risk management, cashflow management, taxation, SGX listing obligations compliance and investor relations. She also provides support for the Group's business growth via the capital market and M&A activities.

Ms Goh has accumulated a wealth of experience in the finance and accounting disciplines over the course of her extensive career. She was previously the Country Finance Head (Singapore) of Incorp Global Pte Ltd., a leading Asia Pacific corporate services provider from 2021 to 2022. Prior to that, she was Chief Financial Officer at a Singapore Press Holding UK subsidiary (UK Purpose-Built Student Accommodation) from 2019 to 2021. During her career, Ms Goh also spent seven years as Associate Director at Stone Forest Corporate Advisory and Sirius Venture Capital Pte. Ltd. At Stone Forest, she specialised in corporate advisory and at Sirius, she led venture capital and entrepreneurial finance targeted at small and medium-sized companies in Singapore.

Ms Goh holds a Master of Business Administration from University of Surrey, United Kingdom and is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

SENIOR MANAGEMENT

LEOW CHYAN
Senior Manager, Technical

Mr Leow Chyan is responsible for the design, development and systems integration of products from conception to implementation. He identifies system deficiencies in the technical aspects of the products' operation and implements solutions and revisions to them. He also manages complex projects (local and overseas) and serves as the liaison between overseas principals and project managers. In addition, he also ensures that products manufactured by the Group comply with the relevant regulatory codes in various jurisdictions.

Mr Leow joined Gliderol Doors (S) Pte. Ltd. as a Marketing Executive in May 1997 and has been with the Group since. He began his career as a Police Officer with the Singapore Police Force in 1990. From 1996 to 1997, he was a Sales Executive in Azen Manufacturing Pte Ltd.

Mr Leow graduated from Sumbershire Business School in 1996 with an Advanced Certificate in Marketing.

ANGELA LIN
Senior Manager, Sales and Service

Ms Angela Lin heads the Group's Sales and Service department where she oversees the sales and after-sales service of its door and shutter systems in the Singapore market.

Ms Lin is an industry veteran with almost two decades of sales experience in door and shutter systems. She first joined Gliderol Doors (S) Pte Ltd in March 2004 shortly after graduating from university and worked her way up the ranks at the Group. During her tenure, she held the role of Service Manager where she oversaw the day-to-day operations of the Group's Services department, and was subsequently the Group's Sales Manager, where she spearheaded sales in the Singapore market. Over the span of 20 years, Ms Lin has not only gained in-depth knowledge and competencies but also built valuable business contacts in the doors and shutters systems industry. Before joining the Group, she was a Property Officer with Knight Frank Estate Management Pte. Ltd. between 2002 and 2004.

Ms Lin graduated from the University of Technology of Sydney in 2004 with a Higher Diploma in Real Estate and Property Management, and also obtained a Diploma in Building and Real Estate Management from Ngee Ann Polytechnic in 2002.

SUSTAINABILITY REPORT CONTENTS

BOARD STATEMENT

GDS Global Limited ("**GDS**" or together with its subsidiaries, the "**Group**") is committed to sustainability and conducting the Group's business with integrity. The Board of GDS (the "**Board**") considers sustainability issues as part of the Group's strategy formulation. The Board determines and endorses the material Environmental, Social and Governance ("**ESG**") factors presented in this report. Through periodic reviews of the key performance indicators, the Board oversees the management and monitoring of these material ESG factors, including risks and opportunities.

The Sustainability Report complies with the requirements of Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The report includes details in which the Group incorporates sustainability aspects into the heart of its operational strategies, with reference to the Global Reporting Initiative ("**GRI**") Universal Standards 2021.

A materiality analysis review was conducted to identify the ESG factors that are important to our key stakeholders and/or significant to our business. ESG topics identified in previous years have remained highly relevant in the present year and have been carefully refreshed and incorporated in the formulation of overall business strategies.

The Board oversees the identification, management, and monitoring of material ESG factors, including associated risks and opportunities. It evaluates the materiality of these factors by assessing their potential impact, alignment with stakeholder values, and consistency with the Group's strategic objectives. The Board also approves the criteria and methodology used to identify and assess material ESG topics.

GDS is committed to complying with all applicable compliance laws and regulations and will continue to comply with these standards. We have adopted measures to ensure we stay up to date on all regulations and laws relevant to the Group, to ensure continued compliance. There are zero significant instances of non-compliance with laws and regulations and zero monetary value of fines and paid for the FY2024 reporting period.

Moreover, in line with the worldwide emphasis on climate-related risks and opportunities, and their implications for businesses, the Group, in FY2024, continues to disclose climate-related information by following the guidelines of the Task Force on Climate-Related Financial Disclosures ("**TCFD**"). Aligning with the TCFD recommendations, the Group will continue to disclose the overall climate related risks and opportunities of Scope 1 and 2 carbon emissions in FY2024.

The Group will continue to strengthen its understanding of carbon emissions throughout its value chain and conduct a refreshed quantitative financial impact analysis. Additionally, the Group will establish and articulate targets, where applicable, to effectively address climate-related risks.

We remain dedicated to ongoing enhancements and will persist in investing in practices that promote sustainability, benefiting not only our customers and employees but also the environment.

ABOUT THIS REPORT

This is the seventh sustainability report by GDS covering mainly the ESG performance of Gliderol Doors (S) Pte. Ltd. and Grimm Industries Pte. Ltd. Gliderol International (ME) FZE and Homegardd Pte. Ltd. are excluded from this report due to dormancy. The report covers the Group's ESG performance for the financial year from 1 October 2023 to 30 September 2024 ("**FY2024**").

REPORTING SCOPE

The report provides an overview of the Group's policies, practices, performance and targets relating to its material ESG factors, covering the Group's operations in Singapore, including its head office.

REPORTING STANDARDS

This report has been prepared with reference to the GRI Standards. We continue to use the GRI Standards for our reporting, including our materiality analysis, as it is the most widely used and internationally accepted sustainability reporting framework and provides a comprehensive set of disclosures for reporting. We aligned our sustainability reporting with the UN Sustainable Development Goals ("**SDGs**") to reflect our support for sustainable development and to demonstrate our commitment to helping achieve global goals and targets.

REPORTING PRINCIPLES

In the preparation of our sustainability reports, we adhere to GRI's principles of accuracy, balance, clarity, comparability, completeness, timeliness and verifiability to ensure the quality of the report. The content of this report takes into consideration stakeholder expectations and an understanding of the sustainability context within which GDS operates. We follow the GRI reporting principles to evaluate the material economic, environmental, social impacts and governance of our business operations and to identify the topics for this report. Potential ESG risks and opportunities arising from our business activities have been considered in the assessment of our material factors.

To enable comparison over time, we have included previous years' ESG performance data.

RESTATEMENT

No restatements were made to the previous year's report. Except for the prior year's reported percentage calculation on page 27 of the donut chart, which has been revised to the corrected percentage figure, and the recycling waste data figure in the prior year on page 29 has been updated to reflect the percentage figures.

EXTERNAL ASSURANCE

We use internal verification to ensure ESG data reliability and have not sought external assurance for this report.

The sustainability reporting process is subject to internal review in accordance with the risk based internal audit plan as approved by the Audit Committee.

AVAILABILITY

This report is available as part of our FY2024 annual report in PDF format for download on our website at www.gdsglobal.com.sg and on SGXNet.

FEEDBACK

Stakeholders are welcome to send their feedback or suggestions regarding this report to us at ir@gliderol.com.sg.

GDS is a leading specialist provider of commercial and industrial doors and shutter systems solution in Singapore and the Southeast Asia region. With a history spanning 40 years, we operate one of the largest manufacturing facilities in the doors and shutter systems solutions in Singapore. We supply an extensive range of doors and shutter systems comprising industrial door systems, fire-rated shutter systems, blast and storm-resistant shutters, commercial door systems, hangar door systems and special applications door systems. We also provide service and maintenance work for the products supplied or installed by us or third parties.

An innovative-driven business, GDS strives to excel in product quality. For example, we use our extensive expertise in materials and manufacturing to develop insulated fire doors and shutters that prevent the spread of fires in buildings and warehouses.

SUSTAINABILITY: EMBEDDED IN OUR BUSINESS STRATEGY

At GDS, we conduct our business to the highest standards of ethics and integrity, and we take our social and environmental responsibilities seriously. Sustainability is firmly embedded in our management practices and our business strategy. Our sustainability approach is to carefully assess and proactively address the economic, environmental, social and governance impacts of our business activities. Crucial aspects of our business strategy include innovation, product quality, the safety and well-being of our employees and resource efficiency.

We are committed to upholding internationally accepted labour and human rights principles such as the International Labour Organization's ("**ILO**") Core Labour Standards and the Universal Declaration of Human Rights. We support sustainable development and have aligned our sustainability reporting with the UN SDGs.

GDS has adopted international standards in quality systems, environmental management and occupational health and safety. GDS is certified to the following standards: ISO 9000:2015, ISO 45001:2018, ISO 14001:2015 and bizSAFE Level STAR.

SUSTAINABILITY GOVERNANCE

In FY2024, the Board sets the overall strategic direction for the Group's sustainability strategy, while the management team is responsible for implementing the strategies, monitoring performance, and collecting data for reporting. In FY2025, the management team will continue to provide periodic progress updates to the Board of Directors.

ESG PERFORMANCE OVERVIEW

MATERIAL TOPICS AND INDICATORS	REPORTING FY2024	PERIOD FY2023
ENVIRONMENTAL		
Scope 1 emissions (tCO_2)[1]	209	199
Stationary combustion	75	52
Mobile fuel combustion	84	90
Fugitive emissions (refrigerants)	50	57
Scope 2 emissions (tCO_2)[1]	149	141
Electricity (market based)	-	-
Electricity (location based)	149	141
GHG emission intensity (tCO_2 / Revenue S$ million)	27	28
Energy intensity (TJ / Revenue S$ million)	0.19	0.20
Total consumption of electricity (in kWh)	361,887	337,717
Total consumption of energy (in TJ)[2]	2.493	2.499
Total non-hazardous waste generated (Tonnes)	132	98
SOCIAL		
Employees		
Male	87	59
Female	27	24
Full-time employees (Number)	108	79
Part-time employees (Number)	6	4
New hires (Number)	49	9
Female full-time employees (%)	21	27
Female middle management (%)	57	100
Female senior management (%)	50	50
Rate of recordable work-related injuries[3]	7.8	10.7
Fatal accidents (Number)	0	0
Total turnover rate (%)	16	19
Average training hours per employee	11.4	9.2
Annual performance appraisal completion rate (%)	100	100
GOVERNANCE		
Percentage of female directors on the Board (%)	40	33
Confirmed incidents of corruption or bribery	0	0
Significant incidents of non-compliance with regulations[4]	0	0
Major product safety issue and negative feedback	0	0

1 *GHG emissions are derived in accordance with the requirements of the "GHG Protocol Corporate Accounting and Reporting Standard".*

2 *The Global Warming Potential dataset is based on the 2014 IPCC Fifth Assessment Report. Energy consumption (TJ) includes the use of fuel, petrol, diesel and electricity*

3 *"Recordable" injuries refers to work-related injury that result in significant injury diagnosed by a physician or licensed healthcare professional, days away from work, restricted work, or job transfer.*
Rate of recordable work-related injuries = (Number of recordable work-related injuries / Number of hours worked) x 1,000,000

4 *We define a significant incident of non-compliance where a fine of $25,000 or more was incurred.*

STAKEHOLDER ENGAGEMENT

Our key stakeholders - the people and groups impacted by our business activities or who have the potential to affect our operations - include customers, employees, suppliers, contractors, regulators, investors, and shareholders. Communicating with our stakeholders to understand their concerns, expectations and feedback is an integral part of our approach to business. Our policy is to maintain open communication and dialogue with our stakeholders, ensuring that they can easily reach the most relevant contact point related to their needs.

An overview of our stakeholders and engagement channels is provided on the following table.

STAKEHOLDERS	EXPECTATIONS	HOW WE ENGAGE
Customers	• Product quality and safety standards • Innovative solutions • Timely completion of projects	• Sales meetings • Quality inspections • Networking sessions
Employees	• Employee health and wellbeing • Workplace safety • Training opportunities • Fair remuneration and rewards • Welfare programmes • Work-life balance	• Regular team meetings • Internal communication • Training programmes • Performance reviews • Company get-together events
Suppliers and contractors	• Clarity of specifications and quality standards • Payment according to contractual terms	• Supplier Meetings • Quality inspections • Networking sessions
Government agencies and regulators	• Compliance with applicable regulations • Productivity and innovation	• Attending meetings, briefings, and seminars organised by government agencies
Investors and shareholders	• Consistent return on investment • Good corporate governance • Risk management • Long-term business growth	• Regular updates through announcements on SGXNet and Group's website • Annual General Meetings ("**AGM**") • Dedicated investor relations section within our website
Community	• Corporate citizenship	• Supporting various community initiatives

MEMBERSHIP OF ASSOCIATIONS

Being a member of relevant industry and trade associations is important for GDS and the Group. It keeps us at the forefront of industry developments, enables us to network and communicate with our peers, helps raise our profile and aligns us with recognised and respected industry bodies. Certain entities under the Group hold memberships of the following associations:

- Singapore Business Federation ("**SBF**")
- Singapore Manufacturers Federation ("**SMF**")
- Building and Construction Authority ("**BCA**")

MATERIALITY ANALYSIS

Materiality in the context of sustainability reporting, according to GRI Standards, encompasses subjects and metrics that mirror the organisation's noteworthy economic, environmental and social effects, significantly shaping the evaluations and choices of stakeholders. Under the guidance of our consultant and considering the concerns and expectations of key stakeholders, the Management has evaluated and prioritised material topics, targets and commitments to concentrate on for the Group.

Management assessed and concluded that the material factors covered in the previous sustainability report remain relevant for GDS and stakeholders. Therefore, this report focuses on energy efficiency, resource conservation and waste reduction, workplace health and safety, employee welfare (including training and development), product quality and safety, and good governance (anti-corruption and regulatory compliance).

The material factors are subsequently reviewed by the Management and approved by the Board.

An overview of our material ESG factors is presented in the following table.

NO.	KEY ISSUES[1]	GRI REFERENCE
Sustainable Economic Growth		
1.	Economic Performance	GRI 201: Economic Performance
2.	Anti-Corruption	GRI 205: Anti-Corruption
Environmental Responsibilities		
3.	Energy Consumption	GRI 302: Energy
4.	Climate and Environment	GRI 305: Emissions
5.	Waste Management	GRI 306: Waste
Social and Community Responsibilities		
Our People		
6.	Employment	GRI 401: Employment
7.	Occupational Health and Safety	GRI 403: Occupational Health and Safety
8.	Training and Career Development	GRI 404: Training and Education
9.	Diversity and Equal Opportunity	GRI 405: Diversity and Equal Opportunity
Our Customer		
10.	Product Quality and Safety	GRI 416: Customer Health and Safety

1 Key issues are not ranked in priority

SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

We are committed to supporting sustainable development through our responsible business practices. The SDGs are a collection of 17 interlinked global goals designed to be a shared blueprint for peace and prosperity for people and the planet, now and into the future. We have aligned our material sustainability topics with the relevant SDGs to underpin our contribution to sustainable development and to highlight the areas in which GDS can make a positive difference in the achievement of the goals.

THE UN SUSTAINABLE DEVELOPMENT GOALS	
Material Topics	**SDGs Supported**
Economic Performance and Anti-Corruption	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Energy Consumption and Climate and Environment	13 CLIMATE ACTION 7 AFFORDABLE AND CLEAN ENERGY
Product Quality and Safety and Waste Management	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Occupational Health and Safety, Employment, Training and Career Development, Diversity and Equal Opportunity	4 QUALITY EDUCATION 5 QUALITY EDUCATION 10 REDUCED INEQUALITIES 3 GOOD HEALTH AND WELL-BENING

ECONOMIC PERFOMANCE AND ANTI-CORRUPTION

ECONOMIC PERFORMANCE

GDS remains committed to creating long-term value for our shareholders, investors and stakeholders through prudent management and robust governance.

The Board and Management take ESG sustainability responsibilities seriously. The management approach is to integrate sustainability into our business model and product innovation strategies and manufacturing, such as, Blast Resistant shutters (versus conventional roller shutters which can turn into potentially hazardous debris in a blast situation) and insulated fire doors and shutters (which prevents spread of fires in buildings, warehouses, etc).

Our financial performance for FY2024 can be found on page 87 to 135.

ANTI-CORRUPTION

We conduct our business with responsibility towards the environment and the societies and communities in which we operate. This involves taking a strict stance on anti-corruption and ensuring we are compliant with all relevant laws and regulations in the regions in which we operate. Corruption, including practices such as bribery and embezzlement, are widely associated with negative impacts such as abuse of human rights and undermining the rule of law. Organisations are expected to demonstrate their adherence to integrity, governance, and responsible business practices.

The Group is extremely stringent in its internal operations and procedures, and any non-compliance or lapses to its internal controls will be rectified with corrective measures recommended by the organisation's internal and external auditors. This will also be reviewed by the management, various board committees and the Board, to ensure that the Board is satisfied that adequate and effective controls are put in place.

Our anti-corruption policy mandates zero tolerance towards bribery and corruption. All employees are made aware of this policy and the requirement of strict adherence to our code of conduct.

Our whistle-blowing policy helps us maintain a high standard of corporate governance and integrity. The policy guides employees on actions to address their concerns on suspicions of fraudulent activities or other unethical behaviour and provides a channel of communication for employees to report such occurrences.

The policy also provides the process for investigation and management reporting, and covers the following areas:

- **Conflicts of interest:** An employee or officer should always act in the best interest of the Group. A "conflict of interest" occurs when an individual's personal interests interfere or appear to interfere with the interests of the Group.

- **Taking advantage of corporate opportunities:** Employees and Directors are prohibited from taking advantage of corporate property, information, position, or opportunities arising from these, for personal gains or to compete with the Group.

- **Confidentiality:** Employees and Directors must maintain the confidentiality of information entrusted to them by the Group or its customers, except when disclosure is authorised or legally mandated.

- **Fair dealing:** Each employee and Director should endeavour to deal fairly with the Group's customers, suppliers, competitors, and employees. No one should take unfair advantage of anyone through dishonesty, misrepresentation of material facts or any other unfair practice.

- **Protection and proper use of the Group's assets:** All employees and officers should protect the Group's assets and ensure their efficient use for legitimate business purposes.

- **Compliance with laws, rules, and regulations (including insider trading laws):** We actively promote compliance with laws, rules, and regulations, including insider trading laws. Insider trading is both unethical and illegal.

- **Unethical behaviour:** We actively promote ethical behaviour and encourage employees to report any misconduct in this regard.

- **Protection from reprisal:** Employees are protected from reprisal within the limits of the law of victimisation for whistleblowing in good faith, with their identity kept confidential.

- **Independent monitoring and oversight:** The policy also provides for a well-defined process which ensures independent investigation of issues / concerns raised and appropriate follow-up action.

On a day-to-day operation, various departments within the Group retain the responsibility of evaluating the sufficiency and efficacy of mitigating measures which include management of risks related to finances, operations, information technology, compliance, and reputation.

OUR PERFORMANCE AND TARGET

FY2024 TARGET	FY2024 PERFORMANCE	FY2025 TARGET
Zero reported incidents of corruption or bribery and zero reported incidents of non-compliance with regulations	Zero reported incidents of corruption or bribery and zero reported incidents of non-compliance with regulations	Zero reported incidents of corruption or bribery and zero reported incidents of non-compliance with regulations

CLIMATE AND ENVIRONMENT

As a responsible business, we are committed to minimising our environmental impacts and carbon footprint. Our main environmental impacts arise from the use of electricity, fuel, and manufacturing waste. We are making efforts to improve energy and resource efficiency to reduce the impact of our business operations on the environment.

We have approximately 18% of our fleet consists of electric vehicles, and we plan to purchase additional electrical vehicles based on business operational needs. We will also continue replacing high-energy-usage lighting with LED lights in common areas such as stairways and workplaces. Furthermore, we are planning to review and improve our manufacturing processes to enhance efficiency and reduce waste generation during production.

To further strengthen the Group's awareness and understanding of climate change impact, the Group has in FY2024 continued to adopt the recommendations of the Task Force on Climate-Related Financial Disclosures ("**TCFD**") in managing climate related risks and opportunities.

GOVERNANCE	RISK MANAGEMENT
• Climate risks and opportunities and associated metrics have been presented to the Board of Directors. Climate-related risks and opportunities are evaluated by the Board of Directors in the Group's business and strategy as part of its overall oversight on sustainability topics of the Group. • Climate risks and opportunities are managed by the Management on a day-to-day basis involving the development and execution of policies and processes to manage risks.	• Climate risks and opportunities have been integrated into the overall risk management process. • Climate physical and transition risks have been assessed in accordance with the Group's risk parameters and action plans are identified to mitigate risks. The Group's risks, impact and action plans are reviewed at least annually.
STRATEGY	**METRICS**
• In FY2024, the Group incorporated climate related risks to the Group's risk assessment process. As there are no material changes to the Group's business, the physical and transition risks as well as their financial impacts identified in FY2023 remain unchanged. • Climate-related risks and opportunities continue to be reviewed by the Management and the Board of Directors on a regular basis. • Climate-related scenario analysis on the resilience of the Group's strategy will be considered in the future when the Group has collected sufficient baseline data for disclosure.	• In FY2025, the Group will analyse the gaps between its current disclosures and the S2 climate-related disclosure requirements of the International Sustainability Standards Board ("**ISSB**") and assess its climate-related disclosures accordingly.

CLIMATE RISKS

The relevant physical and transition risks and associated financial impact are described below. The risk ratings are aligned with the Group's risk parameters and definition of risk ratings:

RISKS	DESCRIPTION	FINANCIAL IMPACT	TIME PERIOD[1]
Physical (Acute)	Disruption to operations from extreme weather conditions (e.g., health, safety, absenteeism) from heat stress especiallyin manufacturing areas which are generally hotter.	Increase in cost of operations	Medium – Long Term
Physical (Chronic)	Natural disasters and the outbreak of a pandemic (e.g. earthquakes, H1N1, Covid-19)	Increase in cost of operations	Short – Medium Term
Transition (Policy and Legal)	Inability to adapt to changes in the government regulations which may lead to non-compliances and/or loss ofrevenue.	Reduction in revenue	Short – Medium Term
Transition (Market, Policy and Legal)	Unable to develop products or services that are align with industry regulation changes and customer preference to green technologies.	Increase in cost of operations	Medium – Long Term
Transition (Policy and Legal)	Tightening regulations on local Greenhouse Gas Emission – carbon pricing, energy standards and disclosure reporting.	Increase in cost of operations	Medium – Long Term
Transition (Market, Policy and Legal)	Increased production costs due to changing input prices (e.g., energy or electricity).	Increase in cost of operations	Short – Medium Term

1 Short term (< 3 year), Medium term (3-5 years), Long term (> 5 years).

CLIMATE AND ENVIRONMENT

GREEN HOUSE GAS ("GHG") EMISSIONS

We are fully supportive of the 2015 Paris Agreement, a global treaty signed by the world's governments to limit global warming to well below 2°C, preferably restricting it to 1.5°C compared to pre-industrial levels. We understand that every company has a responsibility to reduce its GHG emissions and take steps towards a carbon-free economy to halt global warming and avert the most destructive consequences of climate change.

While GDS is not a significant user of energy, and as such our direct GHG emissions are relatively low, we are committed to making efforts to reduce these emissions. We continue to monitor our carbon emissions closely, and review and report on the CO_2 emissions (a significant greenhouse gas) resulting from our energy use. GHG, ozone-depleting substances, nitrogen oxides and sulphur oxides among other significant air emissions are major contributors to climate change.

Reductions in emissions of regulated pollutants lead to improved health conditions for workers and local communities and can enhance relations with affected stakeholders.

Our GHG emissions arise mainly from electricity, diesel and petrol consumption. GRI305 Emission was identified as the metrics used to assess climate related risks and opportunities. The Group's Scope 1 and 2 CO_2 Emissions is detailed below:

GHG EMISSION	FY2024	FY2023
Total Carbon Emission (tonnes CO_2 equivalent)[1]	**358**	**340**
Scope 1 Emissions (tCO_2)	**209**	**199**
• Stationary combustion	75	52
• Mobile fuel combustion[2]	84	90
• Fugitive emissions (refrigerants)[3]	50	57
Scope 2 Emissions (tCO_2)	**149**	**141**
• Purchased electricity (market based)	-	-
• Purchased electricity (location based)[4]	149	141
GHG Emission Intensity (tCO_2 / Revenue S$ million)	27	28

1 *GHG emissions are derived in accordance with the requirements of the "GHG Protocol Corporate Accounting and Reporting Standard". The Global Warming Potential dataset is based on the 2014 IPCC Fifth Assessment Report.*
2 *Mobile fuel combustion are primarily fuel (diesel and gasoline) consumed by medium and heavy-duty vehicles, passenger cars and non-road vehicles.*
3 *Fugitive emissions are primarily emissions from the air-conditioning and refrigerators from the Group's facilities.*
4 *Purchased electricity are location-based with data derived from the national grids of Singapore.*

OUR PERFORMANCE AND TARGET

In FY2024, the overall carbon emissions increased by 18 tCO2 as compared to FY2023. The rise in emissions can be linked to stationary combustion, such as lubricants and gases like acetylene, used in operational activities. This increase in stationary combustion corresponded to the increase in the Company's revenue. In addition, there is an increase in purchased electricity and a reduction in mobile fuel combustion as the Company transitioned to electric vehicles.

The emission intensity of 27 tCO2 / Revenue S$ million did not meet the set target of 23 tCO2 / Revenue S$ million. We will be implementing the following actions to achieve the FY2025 target:

- Regularly assess energy use in our operations and identify areas for improvement
- Install smart meters to track and manage energy consumption more efficiently

FY2024 TARGET	FY2024 PERFORMANCE	FY2025 TARGET
23 tCO_2 / Revenue S$ million	27 tCO_2 / Revenue S$ million	25 tCO_2 / Revenue S$ million

ENERGY CONSUMPTION

We rely on electricity in our manufacturing facility to power tools and equipment, and in our office for air- conditioning and lighting. All our electricity is purchased from a utility supplier. Our main fuel consumption is petrol and diesel used to power our delivery and service trucks.

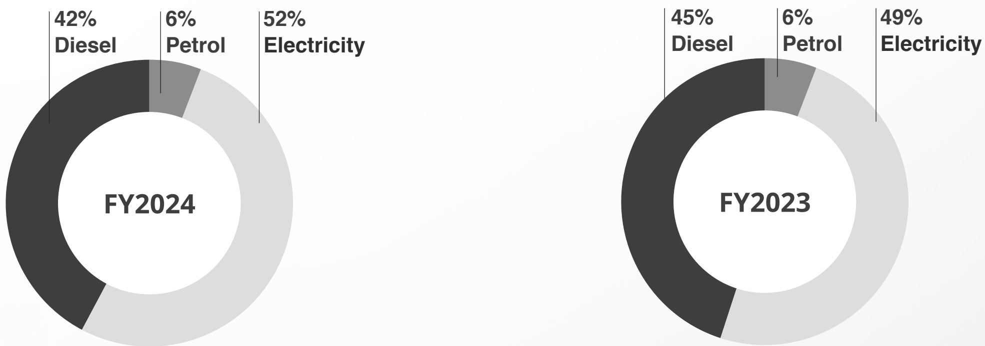
Energy consumption can occur throughout the upstream and downstream activities connected with an organisation's operations. GDS prioritises using energy more efficiently and recognises that opting for renewable energy sources is essential in combating climate change and lowering an organisation's overall environmental footprint. We monitor and review our energy consumption regularly and we use energy intensity (the amount of energy used per million dollars in revenue, TJ / S$ million) to track our performance.

OUR PERFORMANCE AND TARGET

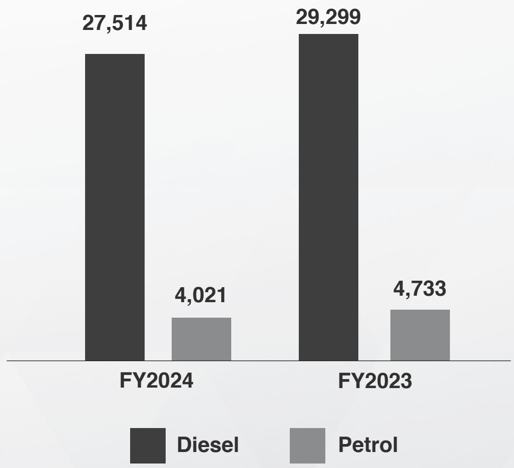
In FY2024, our energy consumption was 2.493 TJ, a slight decrease from 2.499 TJ in the previous year. In FY2024, our total energy intensity was 0.187 TJ / S$ million in revenue compared with 0.205 TJ / S$ million in FY2023. The goal of achieving an intensity lower than 0.192 TJ / S$ million in revenue was met in FY2024.

The Group's energy consumption details are as below:

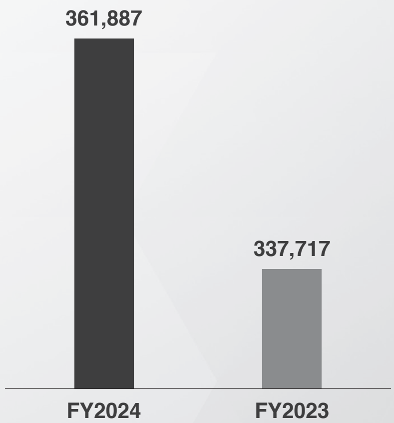
ENERGY CONSUMPTION BY SOURCE (%)

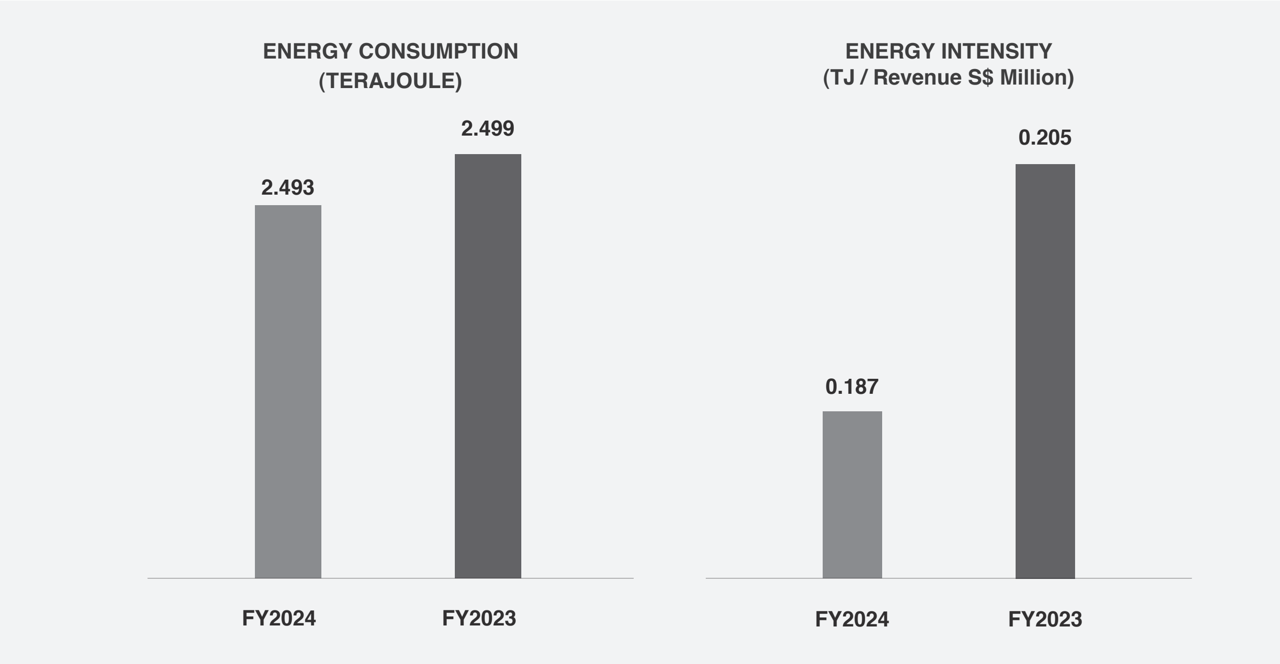


FUEL CONSUMPTION (LITRES)



ELECTRICITY CONSUMPTION (KWH)





Strategic measures and initiatives for managing energy intensity will be implemented to effectively attain the FY2025 target:

- Get employees engaged in energy-efficient practices.
- Turn off lights when not in use.
- Use energy efficient light bulbs.
- Maintaining lorry and equipment efficiency.
- Regularly assess energy use in our operations and identify areas for improvement.
- Install and use smart meters to track and manage energy consumption more efficiently.

FY2024 TARGET	FY2024 PERFORMANCE	FY2025 TARGET
Energy Intensity: 0.192 TJ /S$ million in revenue	Energy Intensity: 0.187 TJ / S$ million in revenue	Energy Intensity: 0.178 TJ / S$ million in revenue

WASTE MANAGEMENT

Waste is generated during the manufacturing process from raw materials, and additional waste is produced when the end user or consumers dispose of the final product purchased from the organisation. Ineffective handling or mishandling waste will lead to harmful impacts on the environment and human health.

We follow the three ‘R’ approach to manage the waste we produce: Reduce, Reuse and Recycle where possible. In FY2024, waste had increased from 98 tons in FY2023 to 132 tons. This increase is attributed to the clearing of scrap items from our store for example, old faulty air conditioner units from our 2015 renovation and scrap machines. The majority of our waste originates from manufacturing processes, predominantly consisting of metals, aluminium, and wood. There is no material hazardous waste in our operations.

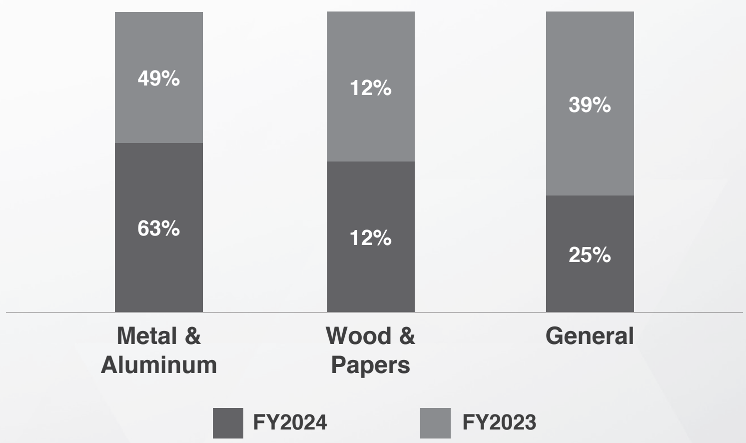
GDS recognises the significance of embracing a circular economy in Singapore to enhance waste diversion and we will continue to implement the three ‘R’ approach. We have designed systems to segregate, store and safely dispose of our waste. We engage licensed waste management contractors to recycle or dispose of our waste as per local regulations.

OUR PERFORMANCE AND TARGET

In FY2024, all our metal, wood, and paper waste were recycled, constituting 75% of our overall non-hazardous waste. We are still in line with our objective to recycle at least 50% of our non-hazardous waste.

WASTE	FY2024	FY2023 (RESTATEMENT)
Total Waste Generated (Tonnes)	**132**	**98**
• Hazardous	-	-
• Non-Hazardous	132	98
Percentage of Waste Diverted from Disposal Non-Hazardous Waste (Tonnes)	**75%**	**61%**
• Preparation for reuse	-	-
• Recycling	99	60
• Other recovery operations	-	-

BREAKDOWN OF WASTE GENERATED



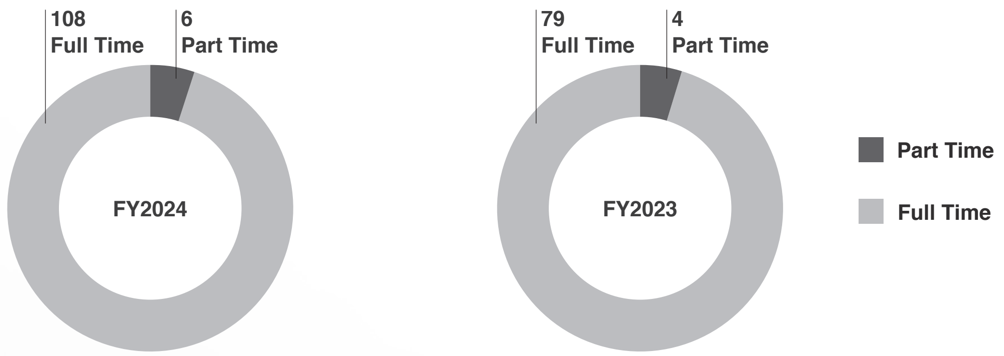
FY2024 TARGET	FY2024 PERFORMANCE	FY2025 TARGET
Recycle at least 50% of non-hazardous waste	Recycled 75% of non-hazardous waste	Recycle at least 50% of non-hazardous waste

EMPLOYMENT

Our employees play a critical role in the success of GDS, and we strive to create a workplace culture where our workforce is empowered and engaged, motivated and given the tools to develop professionally and perform to the best of their abilities. By attracting, developing, and retaining the most suitable talent, we can better serve our customers and remain at the forefront of product innovation. We are also committed to providing a safe working environment with strict health and safety controls and promoting an inclusive work culture whereby all customs and cultures are fully valued and respected.

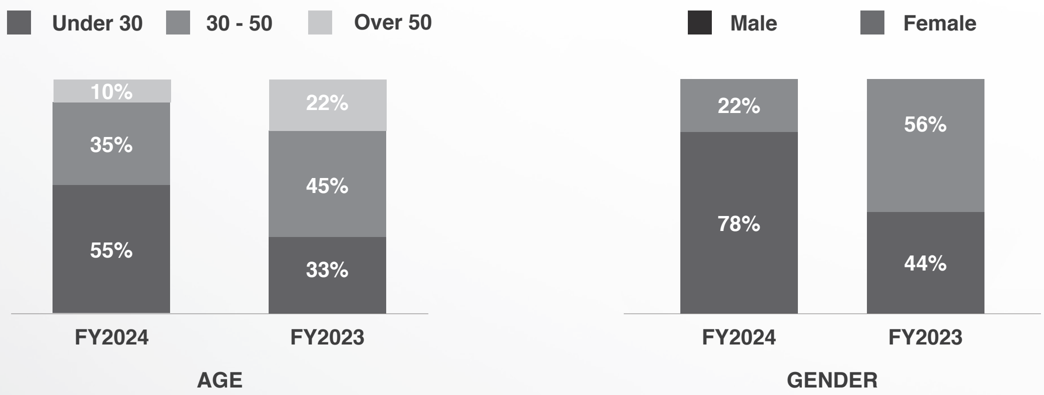
In FY2024, GDS had a total workforce of 114 employees, with 108 serving as full-time employees and 6 employees on a part-time basis. All employees of GDS held permanent contracts and there were no temporary staff members.

EMPLOYEES (NUMBER)

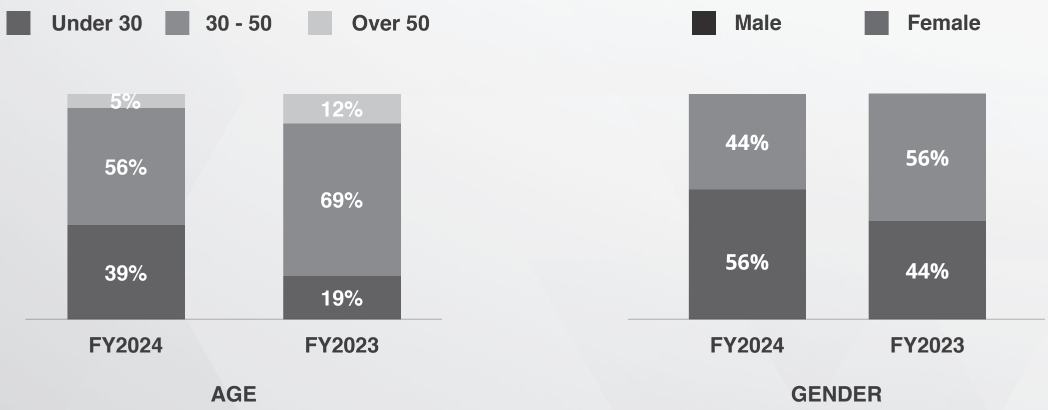


The Group's new hires and turnover details are as below:

NEW HIRING (%)



TURNOVER VOLUNTARY (%)



In FY2024, no employees had taken maternity leave.

EMPLOYEE BENEFITS

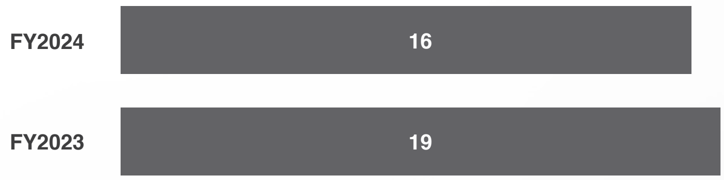
Together with competitive wages and professional development opportunities, we provide a number of health benefits to our employees to support their well-being, such as:

- Healthcare (outpatient medical benefits, hospitalisation and surgical benefits, among others)
- Paternity & Maternity Leaves
- Retirement Provision
- Bonus
- Compassionate Leaves

OUR PERFORMANCE AND TARGET

Our employee turnover rate decreased to 16% in FY2024 as compared with 19% in the prior year, lower than our target of 23%.

TURNOVER RATE (VOLUNTARY) (%)



FY2024 TARGET	FY2024 PERFORMANCE	FY2025 TARGET
Annual turnover rate of 23% or lower	Annual turnover rate of 16%	Annual turnover rate of 20% or lower

DIVERSITY AND EQUAL OPPORTUNITY

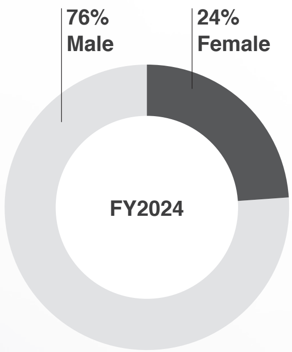
Our workplace policies promote an inclusive workplace where diversity of background is valued and respected. In relation to gender diversity, we operate in a physically demanding manufacturing environment that has traditionally attracted male workers.

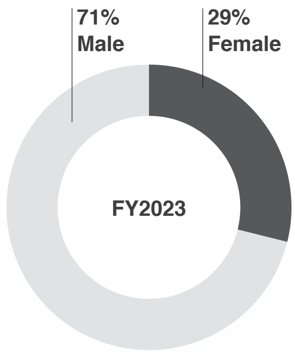
During the reporting period, female employees comprised 21% of our total workforce at GDS. Women filled 57% of middle management roles and occupied 50% of senior management roles.

At the Board level, two of the five members are females. One is an Executive Director, and the other is an Independent Non-Executive Director.

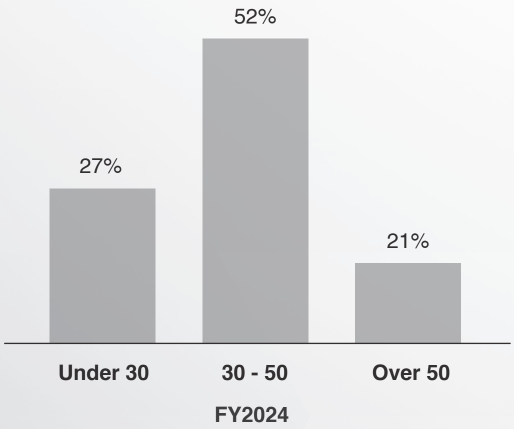
As of 30 September 2024, the Company has the following employment statistics:

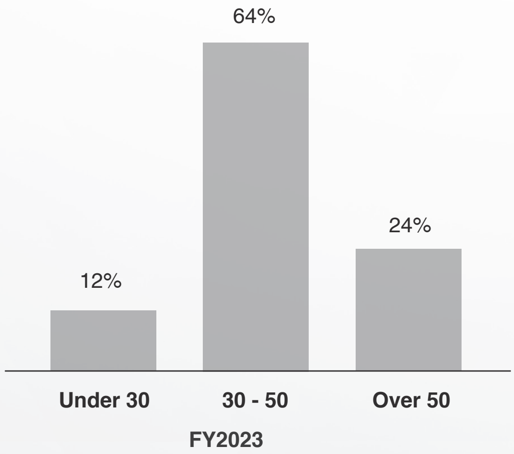
TOTAL EMPLOYEES BY GENDER





TOTAL EMPLOYEES BY AGE GROUP





**GENDER DIVERSITY BY EMPLOYEE CATEGORY
FY2024**

Non-Executive	76%	24%	Non-Executive
Executive	100%	0%	Executive
Middle Management	43%	57%	Middle Management
Senior Management	50%	50%	Senior Management

**GENDER DIVERSITY BY EMPLOYEE CATEGORY
FY2023**

Non-Executive	71%	29%	Non-Executive
Executive	100%	0%	Executive
Middle Management	0%	100%	Middle Management
Senior Management	50%	50%	Senior Management

TRAINING AND EDUCATION

Regular training and development of our employees are essential for GDS to maintain its innovation driven approach and its strong focus to continually improve the quality of our products.

On-the-job training and mentoring by experienced supervisors form integral parts of the employee development programme. Employees also receive training in product knowledge, emerging industry trends and new technologies in the form of workshops, seminars and conferences. For new employees joining GDS, there is a detailed orientation programme they must complete, which introduces them to the Group's corporate identity, policies, and standard operating procedures.

Some of the courses attended by our employees in FY2024 included:

- Construction Safety Orientation Course (CSOC)
- First Aid Course
- JTC Safety Induction Course
- MSOC WSQ Apply Workplace Safety & Health in Metal Work
- Scissor Lift, Boom Lift, Forklift and Vertical Personnel Platform Course
- Workplace Safety and Health in Process Plant Course
- Basic Concept in Construction Productivity Enhancement
- Forklift Refresher Course
- Project Safety Management
- Safety@SP (Building & Construction)
- Safety Induction course (Advario)
- Supervise Construction Work for WSH
- Top Executive WSH Programme
- Welding Course
- Workplace Productivity Using Excel
- Workplace Safety and Health Practices Implementation
- Zero Waste Manager Course

OUR PERFORMANCE AND TARGET

In FY2024, the average hours of training per employee were 11.4 hours, slightly higher than 9.2 hours in the preceding year and higher than our target of 10 hours. The increase in training hours was a result of an increase in the number of employees in FY2024, leading to more employees being sent for training.

AVERAGE TRAINING HOURS PER EMPLOYEE (HOURS)	
FY2024	FY2023
11.4	9.2

AVERAGE TRAINING HOURS PER EMPLOYEE BY GENDER (HOURS)			
FY2024		FY2023	
Male	Female	Male	Female
14	2	11	2

AVERAGE TRAINING HOURS PER EMPLOYEE (HOURS)	
EMPLOYEE CATEGORY	FY2024
Non-executives	11.44
Executives	15.74
Middle management	2.50
Senior management	7.50

We remain committed to increasing employee training in line with our target.

FY2024 TARGET	FY2024 PERFORMANCE	FY2025 TARGET[1]
Average of 10 hours of training per employee	Average of 11.4 hours of training per employee	Average of 8 hours of training per employee

1 Change in average of hours of training per employee to 8 hours instead of 10 hours as headcount increase is expected to stabilise and some employees' certifications are valid for a period of 2 years before re-training is required.

PERFORMANCE AND CAREER DEVELOPMENT REVIEW

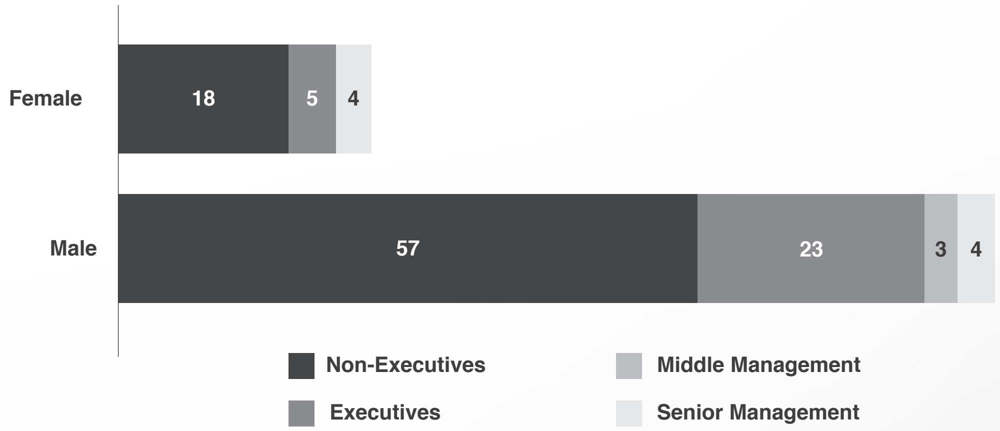
Employee turnover can indicate levels of certainty and satisfaction among employees. It can also signal a fundamental change in the structure of an organisation's core operations.

GDS designed human resources policies and management practices to reward performance and offer development opportunities to our employees. The system is designed to foster openness and fairness. Wage increases, promotions and further training are determined based on performance evaluation outcomes for each employee. Annual performance reviews are conducted to mitigate any potential negative impacts on staff members.

OUR PERFORMANCE AND TARGET

In FY2024, all employees undertook an annual performance appraisal. This involves an open discussion between the employee and their supervisor, whereby performance is assessed, and any development needs or skills gaps are discussed. Respective Department Heads then review and approve the evaluations.

PERFORMANCE AND CAREER DEVELOPMENT REVIEWS (FY2024)



FY2024 TARGET	FY2024 PERFORMANCE	FY2025 TARGET
Ensure a 100% annual performance appraisal completion rate for all employees	100% employees underwent annual performance appraisal	Ensure 100% annual performance appraisal completion rate for all employees

OCCUPATIONAL HEALTH AND SAFETY

Healthy and safe work conditions are recognised as a human right and it involves both prevention of physical and mental harm, and promotion of workers' health. It is essential that workers participate and are consulted in the development of occupational health and safety policies such as hazard identification and risk assessment, worker training and incident identification and investigation.

Our fleets are also scheduled for regular inspection and servicing to ensure that the vehicles and equipment are operating at its optimal performance. We have also attained numerous certifications and awards, including BizSafe Certification and Occupational Health and Safety Management System ("**OHSMS**") certification.

RISK ASSESSMENT

Our occupational health and safety management system is designed to identify and control risks and enables us to continuously improve health and safety performance within our operations. We have implemented detailed risk management procedures covering hazard identification, risk assessment and controls. It comprises a three-step approach: identifying hazards that affect organisational performance, assessing potential risks to employees' health and safety, and implementing adequate controls to eliminate risks. We maintain a risk register and the management reviews and approves all risk assessment records.

Through our risk assessment, we have identified various potential hazards in our operations, which include workers falling from height, falling objects, pinch points, contact with rotating parts, trips and falls, contact with sharp edges or corners, electrocution, collisions with moving machinery such as scissor lifts or forklifts, and toppling of cranes, scissor lifts or forklifts due to overloading. We have taken preventive measures to mitigate these hazards that include using personal protective equipment, safety training, regular maintenance of equipment and hazard elimination. We require workers to comply with our occupational health and safety policy to ensure safety at the workplace. Workers are required to report work-related incidents immediately to their supervisors, and we encourage workers to report potential hazards to management without any fear of retaliation. Sub-contractors are also required to undergo our safety induction and are required to follow the risk management process, including hazard identification, control measures, monitoring, and procedures for communication.

INCIDENT INVESTIGATION

It is critical that we involve employees in the ongoing development of our health and safety policies and all related activities, through consultation and participation in hazard identification, analysing and mitigating risks, and investigating incidents. For any incidents that occur, we have established procedures to fully investigate and determine corrective actions. Our dedicated Health and Safety Committee, comprising employee representatives from various departments, participate in the development and monitoring of our health and safety programmes. We regularly engage and train our employees in safe work practices, and we ensure that the relevant employees renew their safe work certifications on a timely basis where applicable.

We take pride in our exemplary safety performance, which is often recognised by our customers. Our manufacturing facility is certified with ISO 45001:2018, an international standard, and our facility has been awarded a BizSAFE STAR certification from the Workplace Safety and Health Council, MOM in Singapore.

PROMOTING HEALTH AND SAFETY

We also have activities in place to help keep our employees healthy over the long term. Our ongoing occupational health and safety programmes include monthly toolbox meetings, health talks, safety drills and demonstrations, and proper use of personal protective equipment. These also apply to our sub-contractors, and we have a sub-contractor evaluation process in place. Our occupational health services provided to eligible employees include a hearing conservation programme, yearly audiometry test, respiratory protection programme and first aid provisions.

OUR PERFORMANCE AND TARGET

The rate of recordable work injuries has decreased by 2.9 from 10.7 to 7.8 in FY2024. The rise in the total hours worked during FY2024 increased from 186,940 hours to 254,904 hours, due to increase in new employee hires. The Company will continue to intensify efforts to raise safety awareness and encourage safe work practices in the workplace, implementing punitive measures as needed.

Our performance indicators are shown in the following table below.

INDICATOR	UNIT	FY2024	FY2023
Fatalities due to work-related injuries	Number Rate	0 0	0 0
High-consequence (non-fatal) work-related injuries	Number Rate	0 0	0 0
Recordable work-related injuries	Number Rate	2 7.84	2 10.7
Number of hours worked	Hours	254,904	186,940

Notes:
Fatality Rate = (Number of fatalities as a result of work-related injury / Number of hours worked) x 1,000,000

Rate of high-consequence work-related injuries = (Number of high-consequence work-related injuries (excluding fatalities)/ Number of hours worked) x 1,000,000

Rate of recordable work-related injuries = (Number of recordable work-related injuries / Number of hours worked) x 1,000,000

FY2024 TARGET	FY2024 PERFORMANCE	FY2025 TARGET
Zero fatalities	Zero fatalities	Zero fatalities
Zero occupational diseases	Zero incidents of occupational diseases	Zero occupational diseases
10% year-on-year reduction in recordable work-related injuries	7.84 (FY2024) 10.7 (FY2023)	10% year-on-year reduction in recordable work-related injuries

PRODUCT QUALITY AND SAFETY

The quality and safety of our products is of utmost importance to us, to our customers, and to the general public. Due to the application of our products in typically public or workplace environments, any impact arising from our products' usability and safety extend far beyond its installation. To help us consistently provide products that meet customer and applicable statutory and regulatory requirements, we have implemented a robust quality management system in our production processes and obtained ISO 9001:2015 certification from SGS United Kingdom Ltd.

We also place a high priority on innovation and research and development, and have patented various technologies over the years, for example, technology which has enabled us to create a wide range of fire shutters, blast mitigating and storm shutters. Our fire shutters carry different ratings of fire and heat insulation and are tested and assessed by reputable international laboratories like Branz, TUV SUD, and Warringtonfire to meet numerous industry standards like the European (EN), British and other international standards. Our blast- mitigating shutters are tested by ABS Consulting Inc. in the USA and storm-resistant shutter tests were verified by Windtech Consultants Pte Ltd in Singapore.

Customising our products to meet diverse customer needs is another example of the service we provide. Creating transparent panels and additional safety devices to enhance user safety for our industrial and commercial door systems is just one example.

Our business scope goes beyond innovation, producing and installing our products as after-sales service is also a key part of our work. We provide preventive and general maintenance work, repair and replacement of faulty components and safety checks for our customers to ensure a high level of safety is maintained and to help extend the lifespan of the product.

It is this combination of focus on product quality, safety, innovation, and excellence which has helped us forge long-term relationships with many customers. The end-users of our products operate across a broad spectrum of industries, and over the years, our products have been installed in places such as Data Centres, five star hotels, pharmaceutical facilities and aircraft maintenance, repair and overhaul (MRO) buildings.

OUR PERFORMANCE AND TARGET

FY2024 TARGET	FY2024 PERFORMANCE	FY2025 TARGET
No major product safety issue or negative feedback	There were no major product safety issues or negative feedback received from customers	No major product safety issue or negative feedback

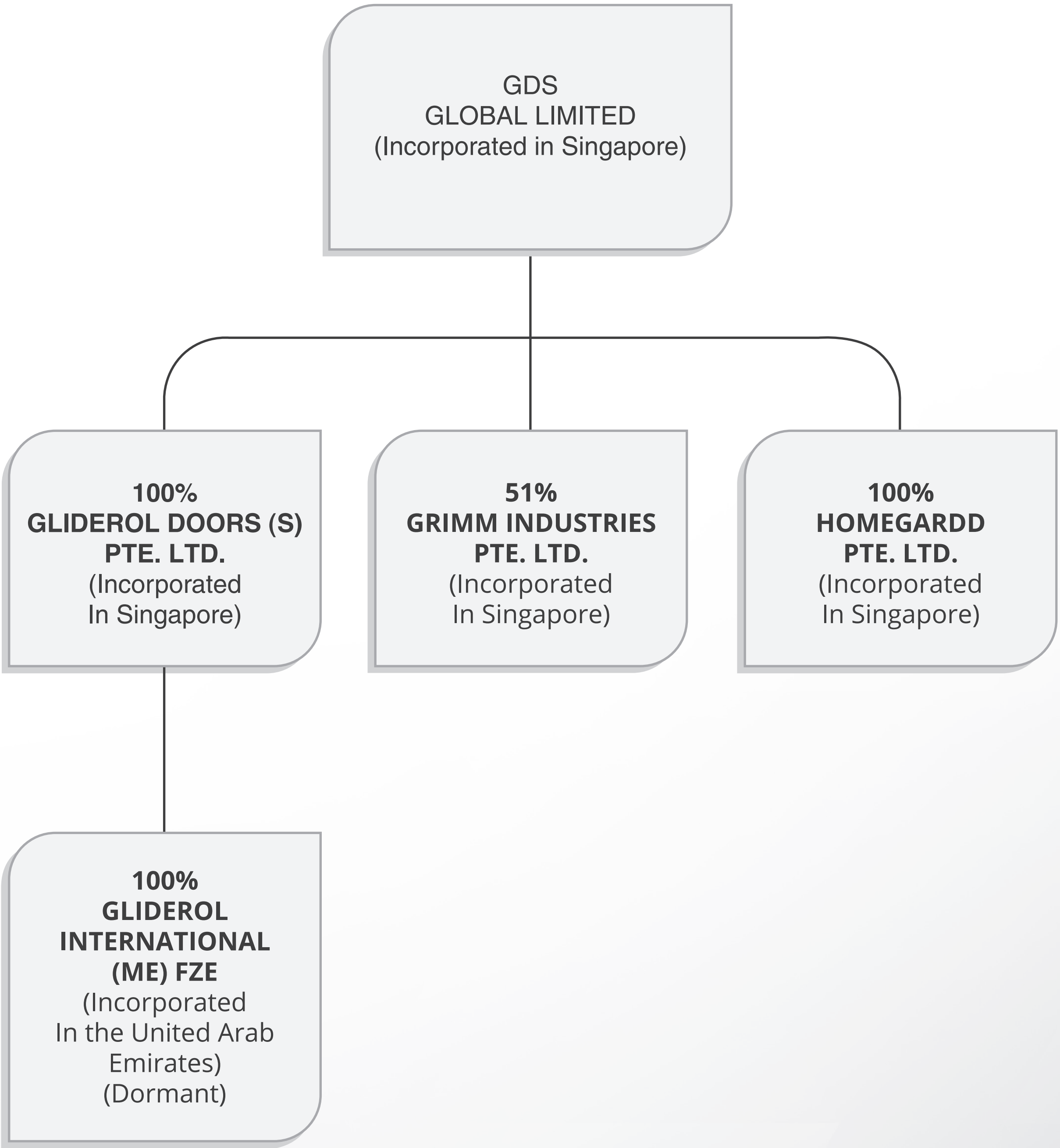
GRI CONTENT INDEX

Statement of Use	GDS Global Limited has reported with reference to the GRI Standards for the period 1 October 2023 to 30 September 2024.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable as a GRI sector standard is not available for our industry

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: GENERAL DISCLOSURES 2021		
ORGANISATIONAL DETAILS AND REPORTING PRACTICES		
GRI 2-1	Organisational details	Page 17
GRI 2-2	Entities included in the organisation's sustainability reporting	Page 16
GRI 2-3	Reporting period, frequency and contact point	Page 16
GRI 2-4	Restatements of information	Page 16
GRI 2-5	External assurance	Page 16
ACTIVITIES AND WORKERS		
GRI 2-6	Activities, value chain and other business relationships	Page 19
GRI 2-7	Employees	Page 30 - 37
GOVERNANCE		
GRI 2-9	Governance structure and composition	Page 48 - 50
GRI 2-10	Nomination and selection of the highest governance body	Page 51 - 55
GRI 2-11	Chair of the highest governance body	Page 50 - 51
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Page 43 - 47
GRI 2-13	Delegation of responsibility for managing impacts	Page 46
GRI 2-14	Role of the highest governance body in sustainability reporting	Page 17 & 43
GRI 2-15	Conflicts of interest	Page 23 & 44
GRI 2-16	Communication of critical concerns	Page 22 - 23
GRI 2-17	Collective knowledge of the highest governance body	Page 17
GRI 2-18	Evaluation of the performance of the highest governance body	Page 56
GRI 2-19	Remuneration policies	Page 56 - 58
GRI 2-20	Process to determine remuneration	Page 58 - 59
STRATEGIES, POLICIES AND PRACTICES		
GRI 2-22	Statement on sustainable development strategy	Page 17
GRI 2-23	Policy commitments	Page 17
GRI 2-26	Mechanisms for seeking advice and raising concerns	Page 16
GRI 2-27	Compliance with laws and regulations	Page 18 & 22 - 23
GRI 2-28	Membership associations	Page 19
STAKEHOLDER ENGAGEMENT		
GRI 2-29	Approach to stakeholder engagement	Page 19
MATERIAL TOPICS		
GRI 3-1	Process to determine material topics	Page 20
GRI 3-2	List of material topics	Page 20
GRI 3-3	Management of material topics	Page 20
ECONOMIC PERFORMANCE		
GRI 201-1	Direct economic value generated and distributed	Page 22

GRI CONTENT INDEX

ANTI-CORRUPTION		
GRI 205-2	Communication and training about anti-corruption policies and procedures	Page 22
GRI 205-3	Confirmed incidents of corruption and actions taken	Page 23
ENVIRONMENTAL PERFORMANCE		
ENERGY		
GRI 302-1	Energy consumption within the organisation	Page 27
GRI 302-3	Energy intensity	Page 27 - 28
EMISSIONS		
GRI 305-1	Direct (Scope 1) GHG emissions	Page 26
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Page 26
GRI 305-4	GHG emission intensity	Page 26
WASTE		
GRI 306-1	Waste generation and significant waste-related impacts	Page 29
GRI 306-2	Management of significant waste-related impacts	Page 29
GRI 306-3	Waste generated	Page 29
GRI 306-4	Waste diverted from disposal	Page 29
SOCIAL		
EMPLOYMENT		
GRI 401-1	New employee hires and employee turnover	Page 30 - 31
GRI 401-2	Benefits provided to full time employees that are not provided to temporary or part time employees	Page 31
OCCUPATIONAL HEALTH AND SAFETY		
GRI 403-1	Occupational health and safety management system	Page 36
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Page 36
GRI 403-3	Occupational health services	Page 36
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Page 36
GRI 403-5	Worker training on occupational health and safety	Page 36
GRI 403-6	Promotion of worker health	Page 36
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 36
GRI 403-9	Work-related injuries	Page 37
TRAINING AND EDUCATION		
GRI 404-1	Average hours of training per year per employee	Page 34
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Page 34
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Page 35
DIVERSITY AND EQUAL OPPORTUNITY		
GRI 405-1	Diversity of governance bodies and employees	Page 32 - 33
CUSTOMERS HEALTH AND SAFETY		
GRI 416-1	Assestment of the health and safety impacts of product and service categories	Page 38
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 38


GDS
GLOBAL LIMITED
(Incorporated in Singapore)
100%
GLIDEROL DOORS (S)
PTE. LTD.
(Incorporated
In Singapore)
51%
GRIMM INDUSTRIES
PTE. LTD.
(Incorporated
In Singapore)
100%
HOMEGARDD
PTE. LTD.
(Incorporated
In Singapore)
100%
GLIDEROL
INTERNATIONAL
(ME) FZE
(Incorporated
In the United Arab
Emirates)
(Dormant)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tang Hee Sung
(Non-Executive Non-Independent Chairman and Director)

Lee Pei Fang (Gina)
(Executive Director)

Aw Eng Hai
(Lead Independent Non-Executive Director)

Howard Cheam Heng Haw
(Independent Non-Executive Director)

Doreen Yew Lai Leng
(Independent Non-Executive Director)

AUDIT COMMITTEE

Aw Eng Hai
(Chairman)

Howard Cheam Heng Haw

Doreen Yew Lai Leng

REMUNERATION COMMITTEE

Howard Cheam Heng Haw
(Chairman)

Aw Eng Hai

Doreen Yew Lai Leng

NOMINATING COMMITTEE

Howard Cheam Heng Haw
(Chairman)

Tang Hee Sung

Aw Eng Hai

Doreen Yew Lai Leng

COMPANY SECRETARIES

Low Mei Mei, Maureen, ACIS

REGISTERED OFFICE

86 International Road
Singapore 629176

Tel: (65) 6266 6668
Fax: (65) 6266 6866

Website: www.gdsglobal.com.sg

SHARE REGISTRAR AND SHARE TRANSFER OFFICE, AND WARRANT AGENT AND REGISTRAR

Boardroom Corporate
& Advisory Services Pte. Ltd.

1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

AUDITORS

Deloitte & Touche LLP
6 Shenton Way, OUE Downtown 2
#33-00
Singapore 068809

PARTNER-IN-CHARGE:

Wong Hui Jing
(a member of the Institute of Singapore Chartered Accountants)
Date of Appointment: 19 January 2024

SPONSOR

SAC Capital Private Limited
1 Robinson Road
#21-01 AIA Tower
Singapore 048542

INVESTOR RELATIONS

GDS Global Limited
Goh Joo San, Chief Financial Officer
ir@gliderol.com.sg

August Consulting
Silvia Heng
silviaheng@august.com.sg

GDS Global Limited (the "**Company**" or "**GDS**") and its subsidiaries (together with the Company, the "**Group**") are committed to maintaining a high standard of corporate governance in complying with the Code of Corporate Governance 2018 (the "**Code**"). This report describes the Group's corporate governance practices that were in place during the financial year ended 30 September 2024 ("**FY2024**").

The board of directors (the "**Board**") is pleased to confirm that for FY2024, the Group has adhered to the principles and provisions as outlined in the Code. Where there are any deviations from the provisions of the Code, the Company has explained how the practices it has adopted are consistent with the intent of the relevant principles.

The Company will continue to enhance its corporate practices appropriate to the conduct and growth of its business and to review such practices from time to time.

BOARD MATTERS

Principle 1: The Board's Conduct of its Affairs

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

The primary function of the Board is to provide effective leadership and direction to enhance the long-term value of the Group to the Company's shareholders and other stakeholders. The Board sets the overall strategy for the Company, oversees the business affairs of the Group and ensures proper accountability within the Group. The Board has the overall responsibility for reviewing the strategic plans and performance objectives, financial plans, key operating initiatives, major funding and investment proposals, financial performance reviews and corporate governance practices. All Directors exercise due care in discharging their duties and responsibilities and are obliged to act in good faith and consider at all times the interests of the Company.

In addition, the principal duties of the Board include:

- Providing entrepreneurial leadership, setting the Group's strategic objectives and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives.

- Overseeing the process for evaluating the adequacy and effectiveness of internal controls, risk management, financial reporting and compliance to safeguard shareholders' interest and the Company's assets.

- Reviewing the performance of management and overseeing succession planning for management.

- Identifying the key stakeholder groups and recognise that their perceptions affect the Company's reputation.

- Setting the Group's values and standards (including ethical standards) and ensuring proper accountability within the Company and that the obligations to shareholders and other stakeholders are understood and met.

- Considering sustainability issues as part of the strategic formulation.

Code of Ethics and Independent Judgement

The Board adopted a set of ethical values and standards which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. Each Director is required to promptly disclose any conflicts or potential conflicts of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. Where a potential conflict of interest arises, the Director concerned will recuse himself/herself from discussions and decisions involving the issue of conflict and refrain from exercising any influence over other members of the Board in respect of the issue. In addition, the Company has in place procedures for Directors to give general notice of any interests in any corporation or firm, in order to anticipate possible conflicts of interest between the Director and the Group. This procedure is conducted annually, prompting Directors to update any change in interests and/or confirm its previous disclosures. The Directors exercise due diligence and independent judgement and make decisions objectively in the best interests of the Group.

The current members of the Board and their membership on the board committees of the Company are as follows:

	Directors	Board Membership	Audit Committee	Nominating Committee	Remuneration Committee
1	Mr Tang Hee Sung#	Non-Executive Non-Independent Chairman and Director	—	Member	—
2	Ms Lee Pei Fang (Gina)##	Executive Director	—	—	—
3	Mr Aw Eng Hai^	Lead Independent Non-Executive Director	Chairman	Member	Member
4	Mr Cheam Heng Haw, Howard^	Independent Non-Executive Director	Member	Chairman	Chairman
5	Ms Doreen Yew Lai Leng^	Independent Non-Executive Director	Member	Member	Member

\# Appointed on 29 November 2023 as the Non-Executive Non-Independent Director and redesignated to Non-Executive Non-Independent Chairman of the Company on 2 May 2024.

\## Appointed on 1 November 2023 as the Executive Director of the Company.

^ Appointed on 25 October 2023 as the Independent Non-Executive Directors of the Company.

Currently, the Board comprises five members. There is a strong and independent element on the Company's Board. Of the five members, three are Independent Non-Executive Directors.

Induction and Training of Directors

The Board recognises the importance of appropriate orientation training and continuing education for its directors. The Board ensures that incoming new Directors are given guidance and orientation (including onsite visits, if necessary) to get familiarised with the Group's business and corporate governance practices upon their appointment and to facilitate the effective discharge of their duties. Newly appointed Directors will be provided a formal letter setting out their duties and obligations. If a newly appointed Director does not have any prior experience as a director of a listed company, the Company will arrange for such person to undertake training in the roles and responsibilities of a director of a listed company and to familiarise such person with the relevant rules and regulations governing a listed company. Directors are encouraged to constantly keep abreast of developments in regulatory, legal and accounting frameworks that are of relevance to the Group through the extension of opportunities for participation in training courses, seminars and workshops as relevant and/or applicable.

In accordance with Rule 406(3)(a) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Section B: Rules of Catalist ("Catalist Rules"), the Nominating Committee ("NC") will ensure that any new director appointed by the Board, who has no prior experience as a director of an issuer listed on the SGX-ST, must undergo mandatory training in the roles and responsibilities of a director as prescribed by the SGX-ST.

As at the date of this Report, there were changes to the Board of Directors as follows:

Name	**Board Membership**	**Date**
Mr Michael Wong	Non-Executive Non-Independent Chairman	Redesignated to Non-Executive Non-Independent Chairman on 16 November 2023 and resigned as the Non-Executive Non-Independent Chairman on 2 May 2024.
Mr Tang Hee Sung	Non-Executive Non-Independent Director	Appointed on 29 November 2023
Mr Tang Hee Sung	Non-Executive Non-Independent Chairman	Redesignated on 2 May 2024
Mr Aw Eng Hai	Lead Independent Non-Executive Director	Appointed on 25 October 2023
Mr Cheam Heng Haw, Howard	Independent Non-Executive Director	Appointed on 25 October 2023
Ms Doreen Yew Lai Leng	Independent Non-Executive Director	Appointed on 25 October 2023
Ms Lee Pei Fang (Gina)	Executive Director	Appointed on 1 November 2023
Mr Wu Chiaw Ching	Independent Non-Executive Director	Resigned on 14 November 2023
Mr Pebble Sia Huei-Chieh	Independent Non-Executive Director	Resigned on 14 November 2023

During FY2024, all Directors, including Mr Tang Hee Sung, Ms Lee Pei Fang (Gina) and Ms Doreen Yew Lai Leng, who are first-time directors, had attended the relevant trainings on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST.

<u>Briefings, Updates and Trainings Provided for Directors in FY2024</u>

The NC reviews and makes recommendations on the training and professional development programmes to the Board.

The Group has an open policy for professional training for all the Board members, including the Executive Director and Independent Directors. The Company endorses the Singapore Institute of Directors ("SID") training programmes and sets a budget for such training and professional development programmes. All Board members are encouraged to attend relevant training organisation by the SID or any other organisation which provides relevant training courses for Directors. The cost of such training will be borne by the Company.

On a half-yearly basis, the Board is briefed on recent changes to the accounting standards and regulatory updates. The Executive Director and management update the Board at each meeting on business and strategic developments of the Group.

As part of the Company's continuing education for Directors, the Company Secretary circulates to the Board articles, reports and press releases relevant to the Group's business to keep Directors updated on current industry trends and issues. News releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority which are relevant to the Directors are also circulated to the Board.

<u>Board's Approval</u>

Matters specifically reserved for the Board's approval are listed below:

- Strategies and objectives of the Group;
- Announcement of half-year and full year financial results and release of annual reports;
- Issuance of shares;

- Declaration of interim dividends and proposal of final dividends;
- Convening of shareholders' meetings;
- Material investments, divestments or capital expenditure;
- Commitments to term loans and lines of credits from banks and financial institutions; and
- Interested person transactions.

Clear directions have been imposed on management that the above matters must be approved by the Board.

Delegation by the Board

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

Key Features of Board Processes

The dates of Board and board committee meetings as well as annual general meetings ("**AGMs**") are scheduled in advance. To assist Directors in planning their attendance, the Company Secretary consults every Director before fixing the dates of these meetings. The Board meets at least two times a year and as warranted by particular circumstances. Ad hoc meetings are also convened to deliberate on urgent substantive matters. Telephonic attendance and conference via audio-visual communication at Board and board committee meetings are allowed under the Company's Constitution. The details of the number of Board and board committee meetings held in the financial year as well as the attendance of each board member at those meetings are disclosed below.

Directors' Attendance at Board and Board Committee Meetings in FY2024

Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings Held(1)	No. of Meetings Attended	No. of Meetings Held(1)	No. of Meetings Attended	No. of Meetings Held(1)	No. of Meetings Attended	No. of Meetings Held(1)	No. of Meetings Attended
Mr Michael Wong#	2	1	2	1(2)	1	1	1	1(2)
Mr Tang Hee Sung##	2	1	2	1(2)	1	–	1	–
Ms Lee Pei Fang (Gina)*	2	2	2	2(2)	1	1(2)	1	1(2)
Mr Wu Chiaw Ching**	2	1	2	1	1	1	1	1
Ms Pebble Sia Huei-Chieh**	2	1	2	1	1	1	1	1
Mr Tan Soon Liang**	2	1	2	1	1	1	1	1
Mr Aw Eng Hai^	2	1	2	1	1	–	1	–
Mr Cheam Heng Haw, Howard^	2	1	2	1	1	–	1	–
Ms Doreen Yew Lai Leng^	2	1	2	1	1	–	1	–

Resigned on 2 May 2024 as the Non-Executive Non-Independent Chairman of the Company.

Appointed on 29 November 2023 as the Non-Executive Non-Independent Director and redesignated to Non-Executive Non-Independent Chairman of the Company on 2 May 2024.

* Appointed on 1 November 2023 as the Executive Director of the Company.

** Resigned on 14 November 2023 as the Independent Non-Executive Directors of the Company.

^ Appointed on 25 October 2023 as the Independent Non-Executive Directors of the Company.

Notes:

(1) Represents the number of meetings held as applicable to each individual Director.

(2) Attendance at meetings on a "By Invitation" basis.

Multiple Directorships

All Directors are required to declare their board appointments. When a Director has multiple board representations, the NC will consider whether the Director is able to adequately carry out his/her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that notwithstanding multiple board appointments, the Directors have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Director of the Company. Please refer to Principle 4 for further disclosure in relation to multiple board representations.

Access to Information

Each Director is given access to the Board resources, including the Company's constitutional and governing documents, terms of references of the Board and the board committees, the Group's policy, annual reports, Board meeting papers and other pertinent information for his/her reference. Management ensures that all Directors are furnished on an on-going basis with relevant, complete, adequate and timely information concerning the Group, to enable them to make informed decisions and discharge their duties and responsibilities. Prior to each Board meeting, board papers and files are circulated for each meeting and the Board is provided with relevant background or explanatory information relating to the business of the meeting and information on major operational, financial and corporate issues. This is to give the Directors sufficient time to review and consider the matters being tabled and/or discussed. Any other matters may also be tabled at the Board meeting and discussed without papers being distributed. The business/project updates with information on financial, operating and corporate issues, the explanations on the financial information, and the rationale for the key decisions taken by the management may also be made in the form of presentations by the management in attendance at the meetings. The Directors are entitled to request additional information as needed to make informed decisions. Management is invited to attend Board meetings to provide additional insights into matters being discussed, and to respond to any queries that the Directors may have.

Access to Management and Company Secretary

The Directors have separate and independent access to the management, and the Company Secretary and where it is necessary for the Directors to seek independent professional advice to effectively discharge their duties, the Directors can, whether as a group or individually, seek the requisite advice at the Company's expense.

The Company Secretary is responsible for, among other things, ensuring that the Board's procedures are observed and the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act, Companies Act and Catalist Rules, are complied with. The Company Secretary also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value, as well as assisting the Chairman in ensuring good information flows within the Board and its board committees and between management and the Non-Executive Independent Directors.

The Company Secretary or her representative attends and prepares minutes for all Board and board committee meetings. As secretary for all board committees, the Company Secretary assists in ensuring coordination and liaison between the Board, the board committees and management. The Company Secretary assists the Chairman of the Board, the Chairman of board committees and management in the development of the agendas for the various Board and board committee meetings.

The appointment and the removal of the Company Secretary is subject to the Board's approval as a whole.

Principle 2: Board Composition and Guidance

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.

Board Size, Composition and Diversity

As of the date of this Report, the Board comprises five Directors, three Independent Non-Executive Directors (the "**Independent Non-Executive Directors**" or the "**Independent Directors**" or each the "**Independent Non-Executive Director**" or the "**Independent Director**"), one Non-Executive Non-Independent Director (the "**Non-Executive Directors**" or each the "**Non-Executive Director**"), and one Executive Director (the "**Executive Director**").

The NC is tasked to determine on an annual basis and as and when the circumstances require whether or not a Director is independent, bearing in mind the provisions set forth under Provision 2.1 of the Code and any other salient factor which would render a Director to be deemed not independent. The NC has reviewed, determined and confirmed the independence of the Independent Directors. More details are set out under Principle 4 of the Code.

Currently, the Independent Directors make up a majority of the Board where the Chairman is not independent as per the requirement set out under Provision 2.2 of the Code. This provides a strong and independent element on the Board and that no individual or groups of individuals dominate the Board's decision-making process. Additionally, four out of five directors are non-executive, which makes up a majority of the Board and meets the requirement set out under Provision 2.3 of the Code. This is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgement on corporate affairs of the Group. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined.

The Board is committed that a diverse Board will help improve the overall performance and operational capability of the Company, ensuring that the decisions made by the Board have been considered from a range of viewpoints. The Board has adopted a Board diversity policy and the measurable objectives identified include:

1. In designing the Board's composition, Board diversity has been considered from a wide range of aspects, including but not limited to age, gender, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. Directors with technical, legal, financial, marketing, management and audit background will provide various extensive business experiences to the Company. High emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and challenges that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core businesses and strategy of the Group, and support succession planning and development of the Board.

2. For achieving an optimal Board, additional measurable objectives/specific diversity targets may be set and reviewed from time to time to ensure their appropriateness. Such factors will be considered by the Company based on its business model and specific needs and the ultimate decision will be based on merit, value and contribution that the selected candidates will bring to the Board.

3. The Board is of the view that, while it is important to promote boardroom diversity in terms of gender, age and ethnicity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority. In addition to ensuring a balanced composition of skills and experience at the Board, the Board has deliberated the following:

   (a) Gender diversity

   The Company does not set any specific target for female Directors in the Board but will work towards continued inclusions of female directors for future board renewals, if opportunity arises. The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board in order to attract and retain women participation on the Board. As of the date of this Report, the female representation on the Board ratio has been improved from 33% to 40%.

   (b) Age diversity

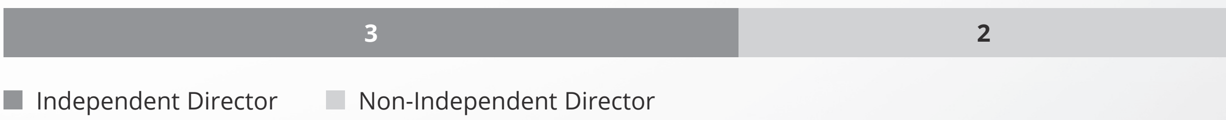
   The Company does not set any specific target for the boardroom age diversity but will work towards having appropriate age diversity in the Board, if opportunity arises. The Company does not fix age limit for its Directors given that such Directors are normally reputed and experienced in the corporate world and could continue to contribute to the Board in steering the Company. The Board is fully committed to promoting age, diversity, valuing the contribution of its members regardless of age, and seek to eliminate age stereotyping and discrimination on age; and

   (c) Ethnic diversity

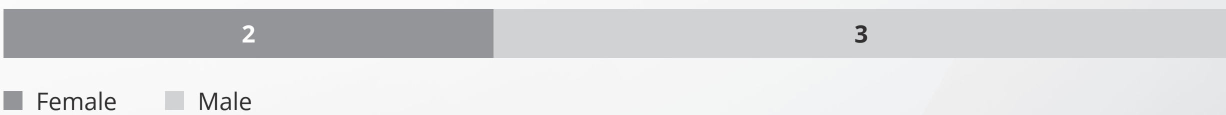
   The Company does not set any specific target for ethnic diversity in the boardroom but will work towards having appropriate ethnic diversity in the Board, if opportunity arises.

Details of the Board Composition as of the date of this Report are as follows:

BOARD INDEPENDENCE

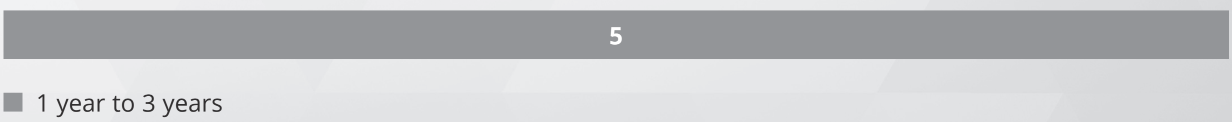


BOARD GENDER DIVERSITY



DIRECTOR AGE GROUP

DURATION OF SERVICE AS DIRECTOR



Taking into account the nature and scope of the Group's business and the number of board committees, the Board believes that the current size and composition provide sufficient diversity without interfering with efficient decision making.

The Company is committed to implementing the Board Diversity Policy and will review this Policy periodically to ensure its effectiveness and alignment with best practice and the requirements of the Code, or as amended from time to time, and any other relevant legislation. Any progress made towards the implementation of this Policy will be disclosed in future Corporate Governance Reports of the Company, as appropriate.

Role of the Non-Executive Directors

The Board and management fully appreciate that an effective and robust Board whose members engage in open and constructive debate and challenge management on its assumptions and proposals, is fundamental to good corporate governance. A Board should also aid in the development of strategic proposals and oversee effective implementation by management to achieve agreed goals and objectives and monitor the reporting of performance. For this to happen, the Board and Non-Executive Directors, in particular, must be kept well informed of the Group's business and be knowledgeable about the industry the Group operates in.

To ensure that the Independent Directors and Non-Executive Directors are well supported by accurate, complete and timely information, they have unrestricted access to management.

The Group has also adopted initiatives to put in place processes to ensure that the Independent Directors and Non-Executive Directors have sufficient time and resources to discharge their oversight function effectively. These initiatives include:

- Regular informal meetings are held by management to brief the Independent Directors and Non-Executive Directors on prospective deals and potential developments at an early stage, before formal Board approval is sought.

- The Company has also made available on the Company's premises an office for use by the Independent Directors and Non-Executive Directors at any time for them to meet regularly without the presence of management.

The Independent Directors and Non-Executive Directors, led by the Lead Independent Director, meet amongst themselves without the presence of the Executive Director and management where necessary, to discuss matters such the performance of management, the Group's financial performance, corporate governance initiatives, succession planning and the remuneration of Executive Director and key management personnel and any matters of concern. The Lead Independent Director will provide feedback to the Chairman or the Board after such meetings. The Independent Directors met once among themselves without the Executive Director and management during FY2024.

Principle 3: Chairman and Chief Executive Officer

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

The Code advocates that there should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Group's business and no one individual should represent a considerable concentration of power.

Mr Michael Wong was the Executive Chairman and Chief Executive Officer ("**CEO**") of the Board. He ceased his position as CEO on 15 November 2023 and was redesignated to Non-Executive Non-Independent Chairman on 16 November 2023.

As Chairman, Mr Michael Wong leads the Board to ensure its effectiveness on all aspects of its role; assumes responsibility for the smooth functioning of the Board and ensures adequate and timely flow of information between management and the Board; sets the agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues; facilitates the effective contribution of Independent Directors and Non-Executive Directors; promotes a culture of openness and debate at the Board; ensures effective communication with shareholders; encourages constructive relations within the Board and between Board and management and promotes high standards of corporate governance.

During his tenure as CEO, Mr Michael Wong assumed responsibility for running the day-to-day business of the Group; ensures implementation of policies and strategy across the Group as set by the Board; managed the management team; and led the development of the Group's future strategy including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing business.

Prior to Mr Michael Wong's redesignation, although the Chairman and the CEO was the same person, the role of the Chairman was separate from that of the CEO and there was a clear division of the responsibilities between the Chairman and CEO.

Mr Michael Wong resigned as the Non-Executive Non-Independent Chairman on 2 May 2024 and Mr Tang Hee Sung was subsequently redesignated from Non-Executive Non-Independent Director to Non-Executive Non-Independent Chairman.

Ms Lee Pei Fang (Gina) was appointed as the Executive Director on 1 November 2023. As the Executive Director, Ms Lee Pei Fang (Gina) assumes responsibility for running the day-to-day business of the Group as well as overseeing the business expansion and the strategic business direction of the Group.

Currently, there is no Chief Executive Officer in the Company but the Non-Executive Non-Independent Chairman, Mr Tang Hee Sung and the Executive Director, Ms Lee Pei Fang (Gina), are separate persons and have no familial relationship with each other. The roles of the Chairman and the Executive Director are separate and distinct, each having their own areas of responsibilities.

In line with Provision 3.3. of the Code, there is a Lead Independent Director to co-ordinate and lead the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board, and to provide leadership in situations where the Chairman is conflicted. He is the principal liaison on board issues between the Independent Directors, the Executive Director and the Chairman. He is available to shareholders where they have concerns, and for which contact through the normal channels via the Chairman, Executive Director, and/or Chief Financial Officer (the "**CFO**") have failed to provide satisfactory resolution, or when such contact is inappropriate or inadequate.

Mr Aw Eng Hai was appointed as the Lead Independent Director on 25 October 2023 in place of Mr Wu Chiaw Ching who resigned as Independent Non-Executive Director on 14 November 2023 as part of the Board renewal.

All the board committees are chaired by Independent Directors and a majority of the Board consists of Independent Directors.

Principle 4: Board Membership

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.

<u>NC Composition</u>

As at the date of this Report, the NC consists of three Independent Non-Executive Directors (including the Lead Independent Director) and one Non-Executive Director. The majority of NC members, including the NC Chairman, are independent:

Mr Cheam Heng Haw, Howard – Chairman
Mr Aw Eng Hai – Member
Ms Doreen Yew Lai Leng – Member
Mr Tang Hee Sung – Member

The NC, which has written terms of reference, is responsible for making recommendations to the Board on all board appointments and re-appointments. The key terms of reference of the NC include the following:

- review the size, structure and composition of the Board;
- identify, review and recommend candidates to the Board including the appointment of alternate directors, if any, board committee members, CEO, deputy CEO, CFO and key management;
- recommend to the Board re-nominations of existing directors for re-election in accordance with the Company's Constitution, taking into account the Director's competencies, commitment, contribution and performance;
- establish a process for the selection, appointment and re-appointment of Directors;
- review and approve any new employment of employees related to the Directors, substantial shareholders of the Company or related persons, including the proposed terms of such employment;
- undertake board succession plans for Directors, in particular, the Chairman and the CEO;
- determine annually whether or not a Director is independent;
- in respect of a Director who has multiple board representations on various companies, if any, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments;
- review training and professional development programmes for the Board;
- make recommendation to the Board in determining the maximum number of listed company board representations which any Director may hold, and disclose this in the Company's annual report;
- decide whether or not a Director is able to and has been adequately carrying out his/her duties as a Director;
- develop a process for evaluating the performance of the Board, its board committees and Directors by setting objective performance criteria for the Board and implementing such process for assessing the effectiveness of the Board as a whole and assessing the contribution of each individual Directors to the effectiveness of the Board; and
- ensure complete disclosure of key information of Directors in the Company's annual report as required under the Code, as amended from time to time.

Each member of the NC abstains from voting on any resolutions and making any recommendation and or participating in discussion on matters in which he is interested.

Process for Selection and Appointment of New Directors

The NC has put in place formal and written procedures for making recommendations to the Board on the selection and appointment of Directors. Such procedures would be activated when a vacancy on the Board arises or when the Board is considering making a new Board appointment either to enhance the core competency of the Board or for purpose of progressive renewal of the Board. In FY2024, the Company maintained a very strong and independent element on the Board with Independent Directors making up more than half of the Board.

In identifying suitable candidates, the NC will consider the current Board composition and the desired competencies of the new Board member with an aim to achieve board diversity and may use any of the following channels:

(i) advertise or use services of external advisors to facilitate a search;

(ii) approach alternative sources such as the SID; and

(iii) consider candidates from a wide range of backgrounds from internal or external sources.

After shortlisting the candidates, the NC shall:

(a) consider and interview all candidates on merit against objective criteria, taking into consideration that appointees have enough time available to devote to the position; and

(b) evaluate and agree to a preferred candidate for recommendation to and appointment by the Board.

Independence Review of Directors

The task of assessing the independence of the Directors is delegated to the NC. The NC reviews the independence of each Director annually, and as and when circumstances require.

Annually, each Independent Director is required to complete a Director's Independence Checklist/Declaration (the "**Independence Checklist**") to confirm his/her independence. The Independence Checklist is drawn up based on the guidelines provided in the Code. Thereafter, the NC reviews the Independence Checklist completed by each Independent Director, assess the independence of the Independent Directors and recommends its assessment to the Board.

As set out under Provision 2.1 of the Code, an independent director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company. The NC assesses and reviews annually the independence of a Director bearing in mind the salient factors as set out under the Code, the Catalist Rules as well as all other relevant circumstances and facts. The Independent Directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code.

For the purpose of Provision 4.4 of the Code and as at the date of this Annual Report, based on the Independence Checklist submitted by each of the Independent Directors, none of Mr Aw Eng Hai, Mr Cheam Heng Haw, Howard and Ms Doreen Yew Lai Leng has any relationship or circumstance as described in the Code which may affect or be perceived to affect their independence, specifically:

(a) The Independent Directors: (i) are not employed by the Company or any of its related corporations for the current or any of the past three (3) financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three (3) financial years, and whose remuneration is determined by the Remuneration Committee.

(b) None of the Independent Directors have served on the Board beyond nine (9) years from the date of first appointment.

(c) None of the Independent Directors and their immediate family members had in the current or immediate past financial year (i) provided or received significant payments or material services aggregated over any financial year in excess of S$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organisation which provided or received significant payments or material services aggregated over any financial year in excess of S$200,000 for services rendered.

(d) None of the Independent Directors are directly associated with a substantial shareholder of the Company in the current or immediate past financial year.

Accordingly, the NC is of the view that the aforementioned directors are independent.

Process for Re-appointment of Directors

The NC is responsible for re-appointment of Directors. In its deliberations on the re-appointment of existing Directors, the NC takes into consideration the Director's contribution and performance.

All Directors submit themselves for re-nomination and re-appointment at regular intervals of at least once every three years. Regulation 114 of the Company's Constitution provides that one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not lesser than one-third) shall retire from office by rotation while Regulation 118 provides that any Director so appointed shall hold office until the next AGM and be eligible for re-election at the Company's AGM.

Ms Lee Pei Fang (Gina) and Ms Doreen Yew Lai Leng shall retire pursuant to Regulation 114 of the Company's Constitution at the Company's forthcoming AGM and shall be eligible for re-election.

The NC is satisfied that Ms Lee Pei Fang (Gina) and Ms Doreen Yew Lai Leng who are retiring at the forthcoming AGM are properly qualified for re-appointment by virtue of their skills, experience and contribution of guidance and time to the Board's deliberations.

Please refer to page 71 to 76 in this Annual Report for detailed information required pursuant to Rule 720(5) of the Catalist Rules (as defined herein).

Details of the appointment of the Company's current Directors including date of initial appointment, Directorship in other listed companies, both current and for the preceding three (3) years and other principal commitments:-

Name of Director and Designation	**Age**	**Date of Initial Appointment**	**Date of Last Re-Appointment**	**Present Directorship In Other Listed Companies**	**Past Directorships In Other Listed Companies Over the Preceding Five (5) Years**	**Other Principal Commitments**
Tang Hee Sung *(Non-Executive Non-Independent Chairman)*	63	29 November 2023	19 January 2024	Nil	Nil	Present 1. Privazio Holdings Ltd. 2. Heptacon Construction Pte. Ltd. 3. Icon Services Limited 4. Gilderol Doors (S) Pte. Ltd. 5. Spazio Concepts Pte. Ltd. 6. Ecco Land Sdn Bhd 7. Rentak Spektra Sdn Bhd 8. Teambuild Venture Sdn Bhd 9. Teambuild MESB Properties Sdn Bhd 10. Qualicon Construction Sdn Bhd 11. Habigreen Investment Limited Past Nil

Name of Director and Designation	Age	Date of Initial Appointment	Date of Last Re-Appointment	Present Directorship In Other Listed Companies	Past Directorships In Other Listed Companies Over the Preceding Five (5) Years	Other Principal Commitments
Lee Pei Fang (Gina) *(Executive Director)*	55	1 November 2023	19 January 2024	Nil	Nil	Present 1. Gilderol Doors (S) Pte. Ltd. 2. Grimm Industries Pte. Ltd. 3. Homegardd Pte. Ltd. Past Nil
Aw Eng Hai *(Lead Independent Non-Executive Director)*	55	25 October 2023	19 January 2024	1. Luminor Financial Holdings Limited 2. TOTM Technologies Limited 3. Tritech Group Limited	1. Capital World Limited	Present 1. Foo Kon Tan Advisory Services Pte Ltd 2. Foo Kon Tan Transaction Services Pte Ltd 3. Airtrust (Singapore) Pte Ltd (In Members' Voluntary Liquidation) 4. Insolvency Practitioners Association of Singapore Limited Past 1. Hunting Airtrust Tubulars Pte Ltd (Dissolved)
Cheam Heng Haw *(Independent Non-Executive Director)*	49	25 October 2023	19 January 2024	1. Aedge Group Limited	1. TOTM Technologies Limited	Present 1. Cool Link & Marketing Pte Ltd 2. R&T Asia (Thailand) Limited 3. R&T Corporate Services Pte Ltd 4. RTA Collab Capital Pte Ltd 5. Rajah & Tann Singapore LLP Past Nil
Doreen Yew Lai Leng *(Independent Non-Executive Director)*	55	25 October 2023	19 January 2024	Nil	Nil	Present Director, Business Development of NeoAsia (S) Pte Ltd Past Nil

Directors' Time Commitments

The NC has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards. These guidelines provide that, as a general rule, each Director should hold no more than six listed company board representations.

The NC determines annually whether a Director with multiple board representations and/or other principal commitments is able to and has been adequately carrying out his/her duties as a Director of the Company. The NC takes into account the respective Directors' actual conduct on the Board in making this determination.

The NC has reviewed and was satisfied that in FY2024, notwithstanding their multiple directorships and principal commitments, Mr Cheam Heng Haw, Howard and Mr Aw Eng Hai who held multiple listed company board representations, have been able to devote sufficient time and attention to the affairs of the Group to adequately discharge their duties as Directors of the Company. None of the Directors held more than six listed company board representations and the NC was of the view that each Director has diligently discharged his duties adequately.

Alternate Directors

The Company does not have any alternate Director on the Board.

Succession Planning for the Board and the Management

Currently, the Company does not have any formal succession plan for the CEO role.

Principle 5: Board Performance

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

The Board has implemented a process carried out by the NC for assessing the effectiveness of: (i) the Board as a whole, (ii) each of the Board committees; and (iii) contribution by each individual Director to the Board.

Board Evaluation Process

A review of the performance of the Board and Board committees as well as that of individual Director is conducted by the NC annually. On the recommendation of the NC, the Board has adopted performance criteria and an internal process for evaluating the effectiveness of the Board as a whole and Board committee, and the contribution of each individual Director to the effectiveness of the Board.

The Company Secretary sends out the Board's and Board committees' Evaluation Questionnaires (the "**Questionnaires**") and an Individual Director Assessment Checklist (the "**Assessment Checklist**") to each Director for completion.

The performance criteria of the Board, Board committees and individual Directors includes board size and composition, board independence, board processes, board information and accountability, board performance in relation to discharging its principal functions and Board committee's performance in relation to discharging their responsibilities set out in their respective terms of reference. The Assessment Checklist is a self-assessment evaluation to assess the contribution by each individual Director to the effectiveness of the Board. The individual Director's performance criteria include his/her knowledge, commitment to the role and overall contribution to the effectiveness of the Board.

The completed Questionnaires and Assessment Checklists are submitted to the Company Secretary for collation and the consolidated responses are presented to the NC for review before submitting to the Board for discussion and determining areas for improvement and enhancing the effectiveness of the Board. The NC Chairman will act on the results of the performance evaluation and, in consultation with the NC, will propose, where appropriate, new members to be appointed to the Board or seek resignation of Directors. For the financial year under review, the Board has performed the evaluation and is of the view that the Board as a whole and Board committees operates effectively and the contribution by each individual Director is satisfactory.

The Board has not engaged any external consultant to conduct any assessment of the effectiveness of the Board and the contribution by each individual Director to the effectiveness of the Board. Where relevant, the NC will consider such an engagement.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

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.

<u>RC Composition</u>

The RC consists of three members, all of whom are Independent Non-Executive Directors:

Mr Cheam Heng Haw, Howard – Chairman
Mr Aw Eng Hai – Member
Ms Doreen Yew Lai Leng – Member

The RC is responsible for ensuring a formal and transparent procedure for developing policies on executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel.

The members of the RC carry out their duties in accordance with the terms of reference which include the following:

- Review and recommend to the Board for endorsement, a framework of remuneration for the Board and key management personnel. The framework covers all aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits in kind.

- Review and recommend to the Board the specific remuneration packages for each Director as well as for key management personnel.

- Review the level and structure of remuneration to align with the long-term interest and risk policies of the Company in order to attract, retain and motivate the Directors and key management personnel.

- Review the Group's obligations arising in the event of termination of the Executive Director's and key management personnel's contracts of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

- In reviewing and making recommendations for remuneration for the Board and key management personnel, the RC shall consider amongst others:

    - level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the Company, and (b) key management personnel to successfully manage the Company;

    - the use of long-term incentive schemes for the Executive Director and key management personnel;

    - that the remuneration of Independent Directors and Non-Executive Directors should be appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors. Independent Directors and Non-Executive Directors should not be overcompensated to the extent that their independence may be compromised;

    - the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company; and

- the Company's obligations arising in the event of termination of the Executive Director and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The Company should aim to be fair and avoid rewarding poor performance.

The Company had on 1 July 2024 adopted a share option scheme known as the GDS Employee Share Option Scheme (the "**GDS ESOS**") and a share scheme known as the GDS Performance Share Plan (the "**GDS PSP**"). Further details of which can be found in the Addendum to Annual Report 2024. The RC's duties also include the administration of the GDS ESOS and GDS PSP, details below.

<u>GDS ESOS</u>

The aggregate number of shares to be issued and/or transferred pursuant to the exercise of options to be granted under the GDS ESOS, when aggregated with the total number of new shares issued and issuable, and existing shares (including treasury shares) transferred and/or transferable pursuant to options already granted under the GDS ESOS; and the aggregate number of shares over which options and/or awards under any other share option, share incentive, performance share or restricted share plans implemented by the Company, shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time on the day immediately preceding the date on which an offer to grant an option is made.

No share options were granted during FY2024.

<u>GDS PSP</u>

The aggregate number of shares to be issued or transferred pursuant to the awards granted under the GDS PSP, when aggregated with the total number of new shares issued and issuable, and existing shares (including treasury shares) transferred and/or transferrable pursuant to awards already granted under the GDS PSP; and the aggregate number of shares over which options and/or awards are granted under any other share option, share incentive, performance share or restricted share plans implemented by the Company, shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time on the day immediately preceding the date on which the grant of awards is made. During FY2024, there were no awards granted pursuant to the GDS PSP.

The RC, where necessary, may seek advice from external remuneration consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and key management personnel. The Board has not engaged any external remuneration consultant to advise on remuneration matters for FY2024.

None of the members of the RC or any Director is involved in deliberations in respect of any remuneration, compensation or any form of benefits to be granted to him/her.

Principle 7: Level and Mix of Remuneration

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.

As part of its review, the RC ensures that the Directors and key management personnel are adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies. The RC also takes into consideration the Group's relative performance and the performance of individual Directors and key management personnel The Executive Director does not receive Director's fee. The remuneration packages of the Executive Director comprise primarily a basic salary component and a variable component, which are the bonuses and other benefits.

Key management personnel are paid a basic salary and variable bonus. The variable bonus is payable based on both qualitative and quantitative performance criteria. Qualitative criteria include leadership skills, people development, commitment and teamwork. Quantitative performance conditions measure the achievement of individual and corporate performance targets such as sales and profitability targets. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

The RC also ensures that the remuneration of the Independent Directors and/or Non-Executive Directors is appropriate to their level of contributions taking into account factors such as efforts and time spent, and their responsibilities. Other than the Directors' fees, the Independent Directors and/or Non-Executive Directors do not receive any other forms of remuneration from the Company. The RC ensures that the Independent Directors should not be over-compensated to the extent that their independence may be compromised. No Director shall participate in decisions on his own remuneration.

The RC, with the concurrence of the Board, has recommended that an amount of S$186,000 as Directors' fees be paid to the Independent Directors and/or Non-Executive Directors for the financial year ending 30 September 2025. These fees will be tabled for shareholders' approval at the forthcoming AGM.

All revisions to the remuneration packages for the Directors and key management personnel are subject to the review by and approval of the Board. Directors' fees are further subject to the approval of the shareholders at the AGM.

The Company believes in aligning its level and structure of remuneration with the interests of shareholders to foster long-term success of the Company. To initiate this, the GDS ESOS and GDS PSP have been adopted to link rewards to eligible employees including Executive Directors, Non-Executive Directors, key management personnel and other employees based on corporate and individual performance and align their interest with those of shareholders.

Typically, the total remuneration mix available comprises annual fixed salary in cash, annual performance-related variable bonus in cash, and the GDS ESOS and GDS PSP, where appropriate.

Having reviewed and considered the fixed and variable components of the remuneration packages for the Executive Director and key management personnel, which are moderate, the RC is of the view that there is no need to institute contractual provisions to allow the Company to reclaim incentive components in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss or fraud by the Executive Director and key management personnel. The Company believes that there are alternative legal avenues to these specific contractual provisions that will enable the Company to recover financial losses arising from such exceptional events from the Executive Director and key management personnel. The remuneration of Directors is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

Principle 8: Disclosure of Remuneration

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

Provision 8.1 of the Code recommends that companies fully disclose the name and remuneration of each individual Director and the CEO. The Board supports and is aware of the need for transparency. However, after deliberation and debate, due to the confidential and sensitive nature of remuneration, the highly competitive business environment the Group operates in, competitive pressures in the talent market and the potential negative impact such disclosure may have on the Group, the Board is of the view that full disclosure of the specific remuneration of individual Director and the Group's key management personnel is not in the best interests of the Company. The Company has chosen to disclose a breakdown showing the level and mix of remuneration of the individual directors and CEO in narrower bands for FY2024, with the view that such disclosures would provide adequate information on the remuneration policies and practice of the Group while maintaining the confidentiality of the Directors' remuneration matters.

Remuneration Band and Name of Director [1]	Salary	Bonus	Fees	Other Benefits	Total
	%	%	%	%	%
Up to S$250,000					
Mr Michael Wong [2]	71	–	27	2	100
Ms Lee Pei Fang (Gina)*	95	1	–	4	100
Up to S$50,000					
Mr Wu Chiaw Ching#	–	–	100	–	100
Ms Pebble Sia Huei-Chieh#	–	–	100	–	100
Mr Tan Soon Liang#	–	–	100	–	100
Mr Tang Hee Sung^	–	–	100	–	100
Mr Aw Eng Hai**	–	–	100	–	100
Mr Cheam Heng Haw, Howard**	–	–	100	–	100
Ms Doreen Yew Lai Leng**	–	–	100	–	100

* Appointed on 1 November 2023 as the Executive Director of the Company.

\# Resigned on 14 November 2023 as the Independent Non-Executive Directors of the Company.

^ Appointed on 29 November 2023 as the Non-Executive Non-Independent Director and redesignated to Non-Executive Non-Independent Chairman of the Company on 2 May 2024.

** Appointed on 25 October 2023 as the Independent Non-Executive Directors of the Company.

Notes:

(1) The remuneration disclosed in the table above includes all forms of remuneration from the Company and its subsidiaries. In deciding whether an item or benefit is to be included in the remuneration, regard has been given to the taxability of such item.

(2) Mr Michael Wong was formerly the Executive Chairman and CEO of the Company and was redesignated to Non-Executive Non-Executive Chairman on 16 November 2023. He resigned from the Board with effect from 2 May 2024.

The service agreement between the Company and Mr Michael Wong in relation to his appointment as CEO was last renewed commencing on 19 April 2022 for a period of three years. Mr Michael Wong was redesignated to Non-Executive Chairman on 16 November 2023 and his service agreement has since terminated. Mr Michael Wong resigned as Non-Executive Chairman on 2 May 2024.

The Letter of Appointment between the Company and Ms Lee Pei Fang (Gina) in relation to her appointment as an Executive Director was entered on 30 October 2023. Ms Lee Pei Fang (Gina) was appointed as the Executive Director of the Company with effect from 1 November 2023.

During FY2024, the amount of Directors' fees paid to the Non-Executive Directors were as follows:

Name	Amount (S$)
Mr Wu Chiaw Ching#	–
Ms Pebble Sia Huei-Chieh#	–
Mr Tan Soon Liang#	–
Mr Tang Hee Sung^	19,989
Mr Michael Wong[1]	22,225
Mr Aw Eng Hai**	47,786
Mr Cheam Heng Haw, Howard**	44,975
Ms Doreen Yew Lai Leng**	36,542

\# Resigned on 14 November 2023 as the Independent Non-Executive Directors of the Company.

^ Appointed on 29 November 2023 as the Non-Executive Non-Independent Director and redesignated to Non-Executive Non-Independent Chairman of the Company on 2 May 2024.

** Appointed on 25 October 2023 as the Independent Non-Executive Directors of the Company.

Note:

(1) Mr Michael Wong was formerly the Executive Chairman and CEO of the Company and was redesignated to Non-Executive Non-Executive Chairman on 16 November 2023.He resigned from the Board with effect from 2 May 2024.

Provision 8.1 of the Code also recommends that companies disclose the name and remuneration of at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S$250,000. In addition, companies should disclose the aggregate of the total remuneration paid or payable to the top five key management personnel (who are not Directors or the CEO).

The Board has identified that the Company had four key management personnel (excluding Director or the CEO) in FY2024. The breakdown showing the level and mix of remuneration of each of these top four key management personnel (who are not Directors or the CEO) in bands of S$250,000 for FY2024 is set out below.

Remuneration Band and Name of Executive [(1)]	**Salary**	**Bonus**	**Other Benefits**	**Total**
	%	**%**	**%**	**%**
Up to S$250,000				
Ms Goh Joo San	98	0	2	100
Mr Leow Chyan	94	1	5	100
Ms Angela Lin	86	1	13	100
Mr Kenny Zhang*	95	0	5	100

* Appointed on 1 January 2024 as the Chief Operating Officer of the Company.

Note:

(1) The remuneration disclosed in the table above includes all forms of remuneration from the Company and its subsidiaries. In deciding whether an item or benefit is to be included in the remuneration, regard has been given to the taxability of such item.

	S$
Aggregate of the total remuneration paid or payable to the top four key management personnel (who are not Directors or the CEO)	656,393

The Company does not have any employee who is a substantial shareholder of the Company, or is an immediate family member of a Director or the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S$100,000 in FY2024.

The Directors, the Chairman and CEO and key management personal are not entitled to any benefits upon termination, retirement or post-employment.

Further information on the Directors and key management personnel is on pages 10 to 13 of this Annual Report.

The Company is cognizant of the Catalist Rule 1204(10D), which was implemented with effect from 11 January 2023 and will disclose the exact amounts with breakdown (in percentage terms) of remuneration paid to each individual Director and the CEO (if any), on a named basis, by the Company and its subsidiaries in its annual report for the financial year ending 30 September 2025 onwards.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

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

The Board, with the assistance from the AC, is responsible for the governance of risk by ensuring that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets. The Board determines the nature and extent of the significant risks which it is willing to take in achieving its strategic objectives. Having considered the Group's business operations as well as its existing risk management and internal control systems, the Board is of the view that a separate risk committee is not required for the time being.

The AC is responsible for making the necessary recommendations to the Board to form and provide an opinion regarding the adequacy and effectiveness of the risk management and internal control systems of the Group in the annual report of the Company according to the requirements in the Catalist Rules and the Code. The AC, with the assistance of KPMG Services Pte Ltd ("**KPMG**"), reviews the adequacy and effectiveness of the Group's risk management and internal control systems focusing on financial, operational, compliance and information technology controls. Risk workshops are carried out with the risk owners to identify, assess and prioritise these risks. Mitigating actions in managing the key risks, as well as action plans to address the gaps, are considered and documented.

The internal audit function was outsourced to KPMG (the "**Internal Auditor**") in FY2024. The Internal Auditor is one of the largest accounting firms in Singapore that has been established in Singapore since 1941. The engagement team is led by the engagement partner who has significant years of experience in governance, risk management, internal audit and accounting and is a Chartered Accountant of the Institute of Singapore Chartered Accountants ("**ISCA**") and Certified Internal Auditor of the Institute of Internal Auditors ("**IIA**"). The engagement team consists of managers and team members who possess relevant experience as well as designations such as Chartered Accountant and Certified Internal Auditor.

The Internal Auditor is independent of the activities it audits. The methodology adopted by the Internal Auditor conforms to the International Standards for the Professional Practice of Internal Auditing set by the IIA.

The AC is satisfied that the Internal Auditor is independent and has adequate resources to perform its function effectively.

During FY2024, KPMG has conducted reviews on sales and credit management, production and inventory management, follow-up audit and risk mitigation review.

All significant matters are highlighted to the AC and the Board for further discussion. The AC and the Board also work with the internal auditors, external auditors and management on their recommendations to institute and execute relevant controls with a view to managing such risks.

<u>Assurance from the Executive Director and the CFO / key management personnel</u>

The Board has received written assurance from:

a) the Executive Director and the CFO that the financial records of the Group have been properly maintained and the financial statements for FY2024 give a true and fair view of the Group's operations and finances; and

b) the Executive Director, the CFO and other key management personnel who are responsible, that the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

The Executive Director and the CFO / key management personnel have obtained similar assurance from the business and corporate executive heads in the Group.

Comment on the Adequacy and Effectiveness of Risk Management and Internal Control Systems

The AC has sought the views of the external auditors in making assessment of the internal controls over financial reporting matters. No material internal control weakness had been raised by the external auditors in the course of their audits for FY2024.

The Internal Auditor had, during the course of their audit, made some observations on internal controls and had proposed recommendations to assist management in enhancing existing controls and reducing risks in the areas reviewed. Action plans to address these observations and findings have also been put in place. Follow-up audits were performed by the Internal Auditor to ensure that the action plans recommended by the Internal Auditor for any audit observations were rectified in a timely manner. The proposed recommendations for FY2024 have been implemented to further enhance the Company's existing controls.

Based on the internal controls established and maintained by the Group, the work performed by the internal auditors as well as the assurance received from the Executive Director and the CFO, the Board with the concurrence of the AC, is of the opinion that the Group's risk management and internal control systems, addressing financial, operational, compliance and information technology risks were adequate and effective as at 30 September 2024.

The Board notes that the system of risk management and internal controls established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledges that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities.

Principle 10: Audit Committee

The Board has an AC which discharges its duties objectively.

AC Composition

The AC consists of three members, all of whom are Independent Non-Executive Directors:

Mr Aw Eng Hai – Chairman
Mr Cheam Heng Haw, Howard – Member
Ms Doreen Yew Lai Leng – Member

At least two members of the AC (including the Chairman of the AC) have recent and relevant accounting or related financial management expertise or experience. The Board considers the members of the AC as having sufficient financial knowledge and experience to discharge their responsibilities in the AC.

The AC does not comprise former partners or directors of the Company's existing auditing firm, Deloitte & Touche LLP and the members of the AC do not have any financial interests in Deloitte & Touche LLP.

The members of the AC carried out their duties in accordance with the written terms of reference which include the following:

a) Review the audit plans of the Company's external auditors and internal auditors, including the results of the external and internal auditors' review and evaluation of the system of internal controls.

b) Review the scope and result of the external auditors' reports.

c) Review with independent internal auditors the findings of their review report, internal control processes and procedures, and make recommendations on the internal control processes and procedures to be adopted by the Group.

d) Review and recommend to the Board the types of risks or risk appetite the Company undertakes to achieve its business strategies. Oversee the risk management framework, policies and resources to manage and report risks within the Company's risk appetite.

e) Review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management systems.

f) Recommend to the Board on the opinion and disclosure in the annual report on the adequacy and effectiveness of the Company's risk management and internal control systems in accordance with the Catalist Rules and the Code.

g) Review the co-operation given by management to the external auditors and internal auditors, where applicable.

h) Review the financial statements of the Company and the Group, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards (International), concerns and issues arising from the audits including any matters which the auditors may wish to discuss in the absence of management, where necessary, before their submission to the Board for approval.

i) Review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and the Group and any announcements relating to the Company's and the Group's financial performance.

j) Receive and review a formal assurance from the Executive Director and the CFO on the financial records and financial statements.

k) Review and discuss with auditors any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and management's response.

l) Review the transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules, if any.

m) Review any potential conflicts of interest and set out a framework to resolve or mitigate any potential conflicts of interest.

n) Review the key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, announced immediately via SGXNet.

o) Review the independence of the external auditors and recommend their appointment or re-appointment, remuneration and terms of engagement.

p) Review and approve foreign exchange hedging policies implemented by the Group and conduct periodic review of foreign exchange transactions and hedging policies and procedures.

q) Undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC.

r) Review arrangements by which an employee may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow-up.

s) Undertake generally such other functions and duties as may be required by statute or the Catalist Rules, as amended, modified or supplemented from time to time.

Apart from the above, the AC shall:

t) Commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position.

u) Commission an annual internal control audit for the purposes of satisfying itself that the internal controls of the Group have remained robust and effective. Upon the completion of an internal controls audit, the Board shall make the appropriate disclosure via the SGXNet of any weaknesses in the Group's internal controls which may be material or of a price-sensitive or trade-sensitive nature, as well as any follow-up actions to be taken by the Board.

The primary reporting line of the internal auditors is to the AC and the internal auditors have unfettered access to all the Group's documents, records, properties and personnel. The AC has explicit authority to investigate any matter within its term of reference and is authorised to obtain independent professional advice. It also has full access to and co-operation of management and reasonable resources to enable it to discharge its duties properly. It also has full discretion to invite any Director or executive officer to attend its meetings.

<u>Summary of the AC's Activities</u>

The AC met two times during the financial year under review. Details of members and their attendance at meetings are provided on page 46. The CFO, Company Secretary, internal auditors and external auditors are invited to these meetings. Other members of management are also invited to attend, as appropriate, to present reports.

The AC meets with the external auditors, and with the internal auditors, in each case without the presence of management, at least annually. During FY2024, the AC had one meeting with the internal auditors and external auditors separately, without the presence of management. These meetings enable the internal auditors and external auditors to raise issues encountered in the course of their work directly to the AC.

The principal activities of the AC during the financial year are summarised below:

<u>Financial Reporting</u>

The AC met on a bi-annual basis and reviewed the half-year and full year announcements, material announcements and all related disclosures to the shareholders before submission to the Board for approval. In the process, the AC reviewed the audit plan and audit committee report presented by the external auditors.

The AC reviewed the annual financial statements and also discussed with management, the CFO and the external auditors the significant accounting policies, judgements and estimates applied by management in preparing the annual financial statements. The AC focused particularly on:

- Significant risks identified from the audit; and

- The appropriateness of the going concern assumption in the preparation of the financial statements.

Following the review and discussions, the AC then recommends to the Board for approval of the half-year and full year financial statements.

Key Audit Matters

The AC has reviewed the Management's assessment and discussed with the external auditors about the identified key audit matters (refer to pages 82 to 84 of this Annual Report) and how these key audit matters have been addressed by the external auditors. Having considered the Management's assessment and the approach taken by the external auditors and their findings, the AC is satisfied with the basis and estimates adopted by the Group.

External Audit Processes

The AC manages the relationship with the Group's external auditors on behalf of the Board. The AC is of the view that the external auditors demonstrated appropriate qualifications and expertise. It is also satisfied with the adequacy of the scope and quality of the external audits being conducted by Deloitte & Touche LLP. Therefore, the AC recommended to the Board that Deloitte & Touche LLP be re-appointed as the external auditors. The Board accepted this recommendation and has proposed a resolution to shareholders for the re-appointment of Deloitte & Touche LLP at the forthcoming AGM.

In appointing auditors for the Company and its subsidiaries, the Group has complied with Rules 712 and 715 of the Catalist Rules.

Auditors' Independence

In order to maintain the independence of the external auditors, the Group has specific policy which governs the conduct of non-audit work performed by the external auditors. This policy prohibits the external auditors from:

- Performing services which would result in the auditing of their own work;
- Participating in activities normally undertaken by management;
- Acting as advocate for the Group; or
- Creating a mutuality of interest between the external auditors and the Group, for example being remunerated through a success fee structure.

The AC undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit fees awarded to them. The AC received a half-yearly report setting out the non-audit services provided by Deloitte & Touche LLP and the fees charged. The aggregate amount of fees paid to Deloitte & Touche LLP is S$144,480. The audit and non-audit fees paid or payable to the external auditors for FY2024 were S$117,000 and S$27,480 respectively. The non-audit fees are charged for tax compliance services that were rendered by Deloitte & Touche LLP to the Group in FY2024.

Having undertaken a review of the non-audit services provided during the financial year, the AC is satisfied that the objectivity and independence of the external auditors are not in any way impaired by reason of the non-audit services which they provided to the Group.

Internal Audit

During the financial year, the AC has reviewed and assessed the adequacy of the Group's system of internal controls and regulatory compliance through discussion with management, internal auditors and external auditors.

The AC considered and reviewed with management and internal auditors on the following:

- Annual internal audit plans to ensure that the plans covered sufficiently a review of the internal controls of the Group; and
- Significant internal audit observations and management's response thereto.

The AC has reviewed the adequacy and effectiveness of the internal audit function.

Interested Person Transactions

The AC reviews the Group's interested person transactions to ensure that the transactions were carried out on normal commercial terms and were not prejudicial to the interests of the Company or its minority shareholders. On a half-yearly basis, management reports to the AC the interested person transactions (if any).

There were no interested person transactions during the financial year under review.

The AC is satisfied that the internal controls over the identification, evaluation, review, approval and reporting of interested person transactions were effective.

Whistle-Blowing

The Company has adopted a Whistle-Blowing Policy to provide a channel for employees of the Group to report in good faith and in confidence their concerns about possible improprieties in matters of financial reporting or other matters. Any whistle-blowing issues can be reported to the Chairman of the AC or the CFO. The AC oversees the administration of the Whistle-Blowing Policy. It has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up action and provides assurance that employees will be protected from reprisal within the limits of the law of victimisation for whistle-blowing in good faith, with their identity kept confidential. The Whistle-Blowing Policy has been circulated to all employees.

SHAREHOLDERS' RIGHTS AND ENGAGEMENT AND MANAGING STAKEHOLDER RELATIONSHIPS

Principle 11: Shareholders' Rights and Conduct of General Meetings

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.

The Group recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including minority shareholders are protected.

The Group is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which may be price-sensitive or trade-sensitive.

The Group strongly encourages shareholder participation during its AGMs which are held in Singapore. Shareholders are able to proactively engage the Board and management on the Group's business activities, financial performance and other business-related matters. All shareholders are entitled to vote in accordance with the established voting rules and procedures. The Company conducts poll voting for all resolutions tabled at the general meetings. The rules, including the voting procedures, will be clearly explained by the scrutineer at such general meetings. The Company will employ electronic polling if necessary.

Separate resolutions on each distinct issue are tabled at general meetings and explanatory notes are set out in the notices of general meetings where appropriate. The Company shall avoid 'bundling' resolutions unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting.

All Directors including Chairman of the Board and the respective Chairman of the AC, NC and RC, and management are intended to be in attendance at general meetings to address any queries of the shareholders and receive feedback from shareholders. All the Directors were present at the Company's last AGM held on 19 January 2024.

The Company's external auditors will also present to address queries relating to the conduct of the audit and the preparation and content of the auditor's report.

The Constitution of the Company allows any member of the Company, if he is unable to attend a general meeting, to appoint not more than two proxies to attend and vote on his behalf at the meeting through a proxy form sent in advance. Pursuant to the amendments to the Companies Act effective from 1 January 2016, corporate shareholders of the Company which provide nominee or custodial services are entitled to appoint more than two proxies to attend and vote on their behalf at general meetings provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such corporate shareholders.

The Group supports and encourages active shareholders' participation at general meetings. The Board believes that general meetings serve as an opportune forum for shareholders to meet the Board and key management personnel, and to interact with them. Information on general meetings is disseminated through notices for the general meetings sent to all shareholders. The notices are also released via SGXNet and posted on the Company's website.

The Company's Constitution allows all shareholders to appoint proxies to attend general meetings and vote on their behalf. As the authentication of shareholder identity information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email or fax.

The Company records the minutes of general meetings that include relevant and substantial comments from shareholders relating to the agenda of the meetings and responses from management.

Under Provision 11.5 of the Code, the Company should publish the minutes of general meetings of shareholders on SGXNet and/or its corporate website as soon as practicable and such minutes shall record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and management. The minutes of general meetings of the Company, including a summary of substantial and relevant comments or questions from shareholders relating to the agenda of general meetings and responses thereof, will be published on SGXNet and/or its corporate website within one (1) month after the date of the meeting, for the information of the shareholders.

The Company puts all resolutions to vote by poll and makes an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages for general meetings. Electronic poll voting may be efficient in terms of speed but may not be cost effective. In this respect, the Company did not adopt electronic poll voting.

<u>Forthcoming AGM to be Convened</u>

The forthcoming AGM in respect of FY2024 will be held physically at 86 International Road, Singapore 629176 on 22 January 2025. Shareholders will be able to raise questions and vote in person at the AGM. There will be no option for shareholders to participate virtually. Arrangements relating to attendance at the forthcoming AGM, submission of questions to the Chairman of the Meeting in advance of, or at, the AGM, and voting at the AGM by shareholders or their duly appointed proxy(ies), are set out in the Notice of AGM released on SGXNet on 3 January 2025.

<u>Dividend Policy</u>

In the Company's Offer Document dated 11 April 2013, the Company stated that it does not have a fixed dividend policy. In considering the form, frequency and amount of dividends that the Board may recommend or declare in respect of any particular year or period, the Board generally takes into account various factors including:

- The level of the Group's cash and retained earnings.
- The Group's actual and projected financial performance.
- The Group's projected levels of capital expenditure and other investment plans.
- The Group's working capital requirements and general financing condition.

As disclosed in the Company's results announcement for FY2024, the Board did not recommend any dividend for FY2024 in order to conserve cash for working capital requirements during the uncertain business environment amidst the geopolitical tensions and inflationary cost pressures.

Principle 12: Engagement with Shareholders

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.

<u>Disclosure of Information on a Timely Basis</u>

The Group is committed to maintaining high standards of corporate disclosure and transparency. The Group values dialogue sessions with its shareholders. The Group believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns. In addition to general meetings and where the opportunities arise, the management of the Company will also meet with investors, analysts and the media, as well as participate in investor relations activities to solicit and understand the views of the investing community.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXNet, press releases and the Company's corporate website. To ensure a level playing field and provide confidence to shareholders, unpublished price-sensitive and/or trade-sensitive information is not selectively disclosed. In the event that unpublished material information is inadvertently disclosed to any selected group in the course of the Group's interactions with the investing community, a media release or announcement will be immediately released to the public via SGXNet.

The Group's corporate website is the key resource of information for shareholders. In addition to the half-yearly and yearly financial results, it contains a wealth of investor-related information on the Group, including annual reports, share price information and dividend information.

<u>Interaction with shareholders/stakeholders</u>

The Company has an internal investor relations function which focuses on facilitating communications with stakeholders and analysts on a regular basis, attending to their queries or concerns and keeping them apprised of the Group's corporate developments and financial performance. During such interactions, the Company solicits and understands the views of shareholders/stakeholders and the investment community. Shareholders may also submit questions through the IR Contact page of the Company's corporate website.

Principle 13: Managing Stakeholder Relationships

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

The Group has arrangements in place to identify and engage with its material shareholder groups and to manage its relationships with such groups. It undertakes formal and informal stakeholder engagement exercise, such as announcements, press releases, publications, surveys and feedback with material stakeholder groups which include shareholders, suppliers, customers and employees. The Group has identified the environmental, social and governance factors that are important to its stakeholders. These factors form the materiality matrix upon which targets, metrics, programmes and progress are reviewed by and approved by the Board, before they are published annually in the Company's sustainability report. Further information in relation to details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholders, including frequency of engagement by type and by stakeholder groups and key feedback or issues that have been raised though stakeholder engagement can be found in the sustainability report for FY2024 which is included in this Annual Report. The Company maintains a current corporate website <u>http://www.gdsglobal.com.sg/</u>.

Dealing in Securities

The Group has adopted an internal compliance code to provide guidance to its Directors and all employees of the Group with regard to dealings in the Company's securities. The code prohibits dealing in the Company's securities by the Directors and employees of the Group while in possession of unpublished price sensitive or trade sensitive information.

Directors and employees are not allowed to deal in the Company's securities on short-term considerations and during the one month before the announcement of the Company's half-year and full year financial results. The Directors and employees are also required to adhere to the provisions of the Securities and Futures Act, Companies Act, the Catalist Rules and any other relevant regulations with regard to their securities transactions. They are also expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

Material Contracts

There are no other material contracts of the Company or its subsidiaries involving the interest of the CEO, any Director or Controlling Shareholder either still subsisting as at 30 September 2024 or if not then subsisting, entered into since the end of the previous financial year.

Non-Sponsor Fees

In compliance with Rule 1204(21) of the Catalist Rules, S$65,000 was paid to the Company's Sponsor, SAC Capital Private Limited, during the financial year under review, in relation to its role as Rights Issue manager for the Company's Rights cum Warrants Issue in FY2024.

Interested Person Transactions

The Company confirms that there were no interested person transactions during the financial year under review.

Use of Proceeds

As at the date of this Report, the Board wishes to update that the net proceeds of the Rights Issue at approximately S$0.85 million (the "**Net Proceeds**") (after deducting estimated expenses of approximately S$0.28) have yet to be utilised. The Company intends to use the Net Proceeds for general working capital requirements of the Group (which includes administrative expenses, manpower costs, compliance costs, continuing listing expenses and professional fees).

Intended Use of Net Proceeds	Amount of Net Proceeds (1)	Amount utilised (2)	Balance of Net Proceeds as at the date of this Report
	(S$'000)	(S$'000)	(S$'000)
General working capital purpose	1,953	1,100	853
Total	1,953	1,100	853

Notes:

(1) Please refer to the Offer Information Statement dated 10 July 2024 on the use of proceeds for details.

(2) Relates to payments including staff costs, administrative expenses and purchases from supplier. The breakdown of the net proceeds utilised for working capital as at the date of this Report is as follows:

Summary of expenses:	General Working
	(S$'000)
Staff costs	316
Administrative expenses	192
Purchases from supplier	592
Total	**1,100**

The use of the net proceeds is in accordance with the stated purpose and percentage in the Offer Information Statement dated 10 July 2024.

Additional Information on Directors Seeking Re-election pursuant to Rule 720(5) of the Catalist Rules

Ms Lee Pei Fang (Gina) and Ms Doreen Yew Lai Leng are the Directors seeking re-election at the forthcoming AGM to be convened on 22 January 2025 under Ordinary Resolutions 3 to 4 respectively as set out in the Notice of AGM dated 3 January 2025 (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Retiring Directors as at the date of this Report and as set out in Appendix 7F of the Catalist Rules, are described in the table below and are to be read in conjunction with their respective profiles under the "Board of Directors" section of this Annual Report.

Name of Director	**Lee Pei Fang (Gina)**	**Doreen Yew Lai Leng**
Date of appointment	1 November 2023	25 October 2023
Date of last re-appointment (if applicable)	19 January 2024	19 January 2024
Age	55	55
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board having considered among others, the recommendation of the NC and the background, experience, skill set and business network of Ms Lee Pei Fang (Gina) is of the view that she is suitable for re-appointment as the Executive Director of the Company.	The Board having considered among others, the recommendation of the NC and the qualifications and work experience of Ms Doreen Yew, is of the view that she is suitable for re-appointment as an Independent Director of the Company, member of the AC, RC and NC.
Whether appointment is executive, and if so, the area of responsibility	Yes, Ms Lee Pei Fang (Gina) will be responsible for the day-to-day operation and overseeing the business operation and the strategic business direction of the Group.	No
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	• Independent Director • Member of the Audit Committee • Member of the Remuneration Committee • Member of the Nominating Committee
Professional qualifications	• Diploma in Business Efficiency & Productivity (Personnel Management) from the National Productivity Board of Singapore	• Bachelor of Arts (Honours) in Law & English from University of Keele, United Kingdom
Working experience and occupation(s) during the past 10 years	September 2012 to present: Senior Manager (HR, Admin, Corporate Affairs & IT) of Gliderol Doors (S) Pte. Ltd. March 2011 to present: Director of Gliderol Doors (S) Pte. Ltd.	October 2023 to present: Director, Business Development of NeoAsia (S) Pte Ltd February 2023 to July 2023: Vice President, Business Development of Axcynsis Therapeutics Pte Ltd January 2011 to January 2018: Regional Business Development Manager of Zuellig Pharma Asia Pacific

Name of Director	Lee Pei Fang (Gina)	Doreen Yew Lai Leng
Shareholding interest in the listed issuer and its subsidiaries	Yes. Ms Lee Pei Fang (Gina) holds 996,000 shares in the share capital of the Company.	Nil
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	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal commitments[1] including Directorships - Past (for the last 5 years)	Nil	Nil
Other principal commitments1 including Directorships - Present	1. Gliderol Door (S) Pte. Ltd. 2. Grimm Industries Pte. Ltd. 3. Homegardd Pte. Ltd.	Nil
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

Name of Director	Lee Pei Fang (Gina)	Doreen Yew Lai Leng
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

Name of Director	Lee Pei Fang (Gina)	Doreen Yew Lai Leng
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—	No	No

Name of Director	Lee Pei Fang (Gina)	Doreen Yew Lai Leng
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(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	No	No
(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	No	No
(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?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

Name of Director	Lee Pei Fang (Gina)	Doreen Yew Lai Leng
Any prior experience as a director of an issuer listed on the Exchange?	This relates to the re-appointment of a Director.	This relates to the re-appointment of a Director.
If yes, please provide details of prior experience.	NA	NA
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Ms Lee Pei Fang (Gina) has attended the relevant training on the roles and responsibilities of a Director of a listed issuer as prescribed by the SGX-ST.	Ms Doreen Yew has attended the relevant training on the roles and responsibilities of a Director of a listed issuer as prescribed by the Exchange by the SGX-ST.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	NA	NA

[1] "Principal commitments" has the same meaning as defined in the Code.

The directors present their statement together with the audited consolidated financial statements of GDS Global Limited (the "**Company**") and its subsidiaries (the "**Group**") and statement of financial position and statement of changes in equity of the Company for the financial year ended 30 September 2024.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 87 to 135 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 30 September 2024 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

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

Tang Hee Sung	(Non-Executive Non-Independent Director) - Appointed on 29 November 2023
Lee Pei Fang (Gina)	(Executive Director)
Aw Eng Hai	(Lead Independent Non-Executive Director)
Cheam Heng Haw, Howard	(Independent Non-Executive Director)
Doreen Yew Lai Leng	(Independent Non-Executive Director)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

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

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 except as follows:

Name of director and companies in which interests are held	Shareholdings registered in name of director		Shareholdings in which director is deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
<u>The Company</u>				
(Ordinary shares)				
Tang Hee Sung	–	47,000,000	–	–
Lee Pei Fang (Gina)	498,000	996,000	–	–

By virtue of Section 7 of the Singapore Companies Act 1967, Tang Hee Sung is deemed to have an interest in the Company and in all the related corporations of the Company.

The directors' interest in the shares of the Company at 21 October 2024 were the same at 30 September 2024.

4 **SHARE OPTIONS**

(a) *Options to take up unissued shares*

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

(b) *Options exercised*

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

(c) *Unissued shares under options*

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

5 **AUDIT COMMITTEE**

The Audit Committee of the Company, consisting all independent non-executive directors, is as follows:

Aw Eng Hai – Chairman (Appointed on 25 October 2023)
Cheam Heng Haw, Howard – Member (Appointed on 25 October 2023)
Doreen Yew Lai Leng – Member (Appointed on 25 October 2023)

The Audit Committee will meet periodically to perform the following functions:

(a) review the audit plans of the Company's external auditors and internal auditors, including the results of the external and internal auditors' review and evaluation of the system of internal controls;

(b) review the scope and results of external auditors' reports;

(c) review with independent internal auditors the findings of their review report, internal control processes and procedures, and make recommendations on the internal control processes and procedures to be adopted by the Group;

(d) review and recommend to the board of directors (the "**Board**") the types of risks or risk appetite the Company undertakes to achieve its business strategies. Oversee the risk management framework, policies and resources to manage and report risks within the Company's risk appetite;

(e) review and report to the board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance, information technology controls and risk management systems;

(f) recommend to the Board on the opinion and disclosure in the annual report on the adequacy and effectiveness of the Company's risk management and internal control systems in accordance with the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") and the Code of Corporate Governance;

(g) review the co-operation given by management to the external auditors and internal auditors, where applicable;

(h) review the financial statements of the Company and the Group, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards (International), concerns and issues arising from the audits including any matters which the auditors may wish to discuss in the absence of management, where necessary, before their submission to the Board for approval;

5 AUDIT COMMITTEE (cont'd)

(i) review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and the Group and any announcements relating to the Company's and the Group's financial performance;

(j) receive and review a formal assurance from the Executive Director and Chief Financial Officer on the financial records and financial statements;

(k) review and discuss with auditors any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and management's response;

(l) review the transactions falling within the scope of Chapter 9 and Chapter 10 of the Listing Manual, if any;

(m) review any potential conflicts of interest and set out a framework to resolve or mitigate any potential conflicts of interest;

(n) review the key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, announced immediately via SGXNet;

(o) review the independence of the external auditors and recommend their appointment or re-appointment, remuneration and terms of engagement;

(p) review and approve foreign exchange hedging policies implemented by the Group and conduct periodic review of foreign exchange transactions and hedging policies and procedures;

(q) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee;

(r) review arrangements by which an employee may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow-up; and

(s) undertake generally such other functions and duties as may be required by statute or the Listing Manual, as amended, modified or supplemented from time to time.

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

The Audit Committee also reviews the independence and objectivity of the external auditors and having reviewed the scope and value of non-audit services provided by the external auditors to the Group is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

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

The Audit Committee has recommended to the Board the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming annual general meeting of the Company.

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

....
Lee Pei Fang (Gina)

....
Aw Eng Hai

16 December 2024

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of GDS Global Limited (the "**Company**") and its subsidiaries (the "**Group**"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 87 to 135.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key audit matter (s)	**How the matter was addressed in the audit**
Loss allowance The Group assesses at each reporting date whether the financial assets carried at amortised cost are credit-impaired. Management has applied a simplified expected credit loss ("**ECL**") model to determine the loss allowance on trade receivables and contract assets. As at 30 September 2024, the Group has trade receivables amounting to $2,521,000 (2023 : $1,508,000) and contract assets amounting to $1,174,000 (2023 : $391,000). Management's judgement is required in assessing and determining the ECL of trade receivables and contract assets via evaluating expected future receipts from customers based on past payment trends, relative age of the debtors, knowledge of the customers' businesses and its financial condition and forward looking adjustments based on macro-economic factors.	We performed procedures to understand management's process over the monitoring of trade receivables and contract assets, the collection process and loss allowance assessment. We assessed the appropriateness of the Group's policy on expected credit loss allowance on trade receivables and contract assets and assessed the adequacy of the allowance, including discussing with management on the credit quality of the existing customers and collectability of significant past due trade receivables. For the assessment of ECL, we also considered amongst other factors, such as the credit risk, past payment history, settlement arrangements, subsequent receipts and on-going business dealings with the debtors involved and forward looking adjustments based on macro-economic factors to assess the appropriateness of any loss allowance to be made. The key assumptions and estimation on loss allowance are disclosed in Note 3 to the financial statements, and further information related to trade receivables and contract assets are provided in Notes 7 and 8 to the financial statements respectively.

Key Audit Matters (cont'd)

<table>
<tr><th>Key audit matter (s)</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>Impairment assessment of goodwill

Under SFRS(I) 1-36 Impairment of Assets, the Group is required to test goodwill impairment at least annually or more frequently when there is an indication that the cash generating unit ("CGU") may be impaired. This assessment requires the exercise of significant judgement and use of subjective assumptions, particularly the growth rates by management about the future cash flows of the businesses and the discount rates applied to future cash flow forecasts.

As at 30 September 2024, the carrying amount of goodwill amounting to $659,000 (2023 : $659,000) arose from the acquisition of Grimm Industries Pte. Ltd. During the year, no impairment was recorded.

The key assumptions underlying the impairment assessment and the sensitivity of changes in these assumptions to the risk of impairment are disclosed in Notes 3 and 12 to the financial statements.</td><td>

Our audit procedures focused on evaluating and challenging key assumptions used by management in conducting the impairment assessment. These procedures included:

● obtaining an understanding of management's process over assessing impairment of goodwill;

● reviewing management's impairment assessment of goodwill and their assessment on the recoverable amount of goodwill;

● involving valuation specialists to assess the reasonableness of the discount rate and comparing the independent expectations to those used by management;

● challenging the cash flow forecasts used, by comparing to current market performance and expectations of future changes in the market;

● conducting retrospective review by assessing whether the Group has achieved prior year's forecasts; and

● performing sensitivity analysis around the key drivers of the cash flow forecasts.

We have also reviewed the adequacy and appropriateness of the disclosures made in Notes 3 and 12 to the financial statements respectively.</td></tr>
</table>

Key Audit Matters (cont'd)

Key audit matter (s)	How the matter was addressed in the audit
Impairment assessment of non-current assets Under SFRS(I) 1-36 Impairment of Assets, the Group is required to assess at the end of each reporting period whether there is any indication that its non-current assets may be impaired. If any such indicators exists, the Group shall estimate the recoverable amount of the non-current assets. This assessment requires the exercise of significant judgement and use of subjective assumptions, particularly the growth rates by management about the future cash flows of the businesses and the discount rates applied to future cash flow forecasts. As at 30 September 2024, the carrying amount of property, plant and equipment, right-of-use assets and intangible assets held by its wholly-owned subsidiary Gliderol Doors (S) Pte. Ltd. amounted to $1,090,000 (2023 : $1,579,000), $4,974,000 (2023 : $6,248,000) and $417,000 (2023 : $513,000) respectively. The non-current assets were not impaired as the recoverable amount of the CGU exceeded the carrying amount of the CGU. The key assumptions underlying the impairment assessment and the sensitivity of changes in these assumptions to the risk of impairment are disclosed in Note 3 to the financial statements.	Our audit procedures focused on evaluating and challenging key assumptions used by management in conducting the impairment assessment. These procedures included: ● involving valuation specialists to assess the reasonableness of the discount rate and comparing the independent expectations to those used by management; ● challenging the cash flow forecasts used, by comparing to current market performance and expectations of future changes in the market; ● conducting retrospective review by assessing whether the Group has achieved prior year's forecasts; and ● performing sensitivity analysis around the key drivers of the cash flow forecasts. We have also reviewed the adequacy and appropriateness of the disclosures made in Note 3 to the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' 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 material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(a) 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 of 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.

(b) 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.

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

(d) 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.

(e) 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.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Ms. Wong Hui Jing.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

16 December 2024

STATEMENTS OF FINANCIAL POSITION

As at 30 September 2024

		Group		Company	
	Note	2024	2023	2024	2023
		$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and cash equivalents	6	4,302	5,876	2,074	1,922
Trade and other receivables	7	2,889	1,998	5,084	3,454
Contract assets	8	1,174	391	–	–
Inventories	9	2,022	1,669	–	–
Total current assets		10,387	9,934	7,158	5,376
Non-current assets					
Property, plant and equipment	10	1,103	1,593	–	–
Right-of-use assets	11	5,031	6,354	–	–
Intangible assets	12	1,142	1,271	–	–
Subsidiaries	13	–	–	4,240	4,240
Total non-current assets		7,276	9,218	4,240	4,240
Total assets		17,663	19,152	11,398	9,616
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	14	2,259	1,254	209	177
Contract liabilities	15	392	649	–	–
Lease liabilities	16	1,499	1,374	–	–
Income tax payable		118	119	–	–
Total current liabilities		4,268	3,396	209	177
Non-current liabilities					
Deferred tax liabilities	17	4	4	–	–
Lease liabilities	16	4,434	5,738	–	–
Other payables	14	53	189	–	–
Total non-current liabilities		4,491	5,931	–	–
Total liabilities		8,759	9,327	209	177
Capital, reserves and non-controlling interests					
Share capital	18	7,485	5,245	7,485	5,245
Reserves		155	2,598	3,704	4,194
Equity attributable to owners of the Company		7,640	7,843	11,189	9,439
Non-controlling interests		1,264	1,982	–	–
Total equity		8,904	9,825	11,189	9,439
Total liabilities and equity		17,663	19,152	11,398	9,616

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 September 2024

	Note	Group 2024	Group 2023
		$'000	$'000
Revenue	19	13,360	12,203
Cost of sales		(8,932)	(8,816)
Gross profit		4,428	3,387
Other operating income	20	262	118
Marketing and distribution expenses		(324)	(320)
Administrative expenses		(5,673)	(4,782)
Other operating expenses		(358)	(347)
Interest revenue	21	19	13
Other losses	22	(401)	(118)
Finance costs	23	(152)	(174)
Loss before tax		(2,199)	(2,223)
Income tax (expense) credit	24	(71)	105
Loss for the year	25	(2,270)	(2,118)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		89	74
Other comprehensive income for the year, net of tax		89	74
Total comprehensive loss for the year		(2,181)	(2,044)
(Loss) Profit attributable to:			
- Owners of the Company		(2,532)	(2,341)
- Non-controlling interests		262	223
		(2,270)	(2,118)
Total comprehensive (loss) income attributable to:			
- Owners of the Company		(2,443)	(2,267)
- Non-controlling interests		262	223
		(2,181)	(2,044)
Basic loss per share (cents)	26	(1.94)	(2.09)
Diluted loss per share (cents)	26	(1.51)	(2.09)

See accompanying notes to financial statements.

Year ended 30 September 2024

Group	Share capital	Translation reserve	Capital reserves (Note 27)	Merger reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 October 2022	5,245	(127)	277	19	4,696	10,110	2,053	12,163
Total comprehensive (loss) income for the year:								
(Loss) Profit for the year	–	–	–	–	(2,341)	(2,341)	223	(2,118)
Other comprehensive income for the year	–	74	–	–	–	74	–	74
Total	–	74	–	–	(2,341)	(2,267)	223	(2,044)
Transactions with owners, recognised directly in equity:								
Dividends paid to non-controlling shareholders by subsidiary	–	–	–	–	–	–	(294)	(294)
Total	–	–	–	–	–	–	(294)	(294)
Balance at 30 September 2023	5,245	(53)	277	19	2,355	7,843	1,982	9,825
Total comprehensive (loss) income for the year:								
(Loss) Profit for the year	–	–	–	–	(2,532)	(2,532)	262	(2,270)
Other comprehensive income for the year	–	89	–	–	–	89	–	89
Total	–	89	–	–	(2,532)	(2,443)	262	(2,181)
Transactions with owners, recognised directly in equity:								
Dividends paid to non-controlling shareholders by subsidiary	–	–	–	–	–	–	(980)	(980)
Issuance of right shares	2,240	–	–	–	–	2,240	–	2,240
Total	2,240	–	–	–	–	2,240	(980)	1,260
Balance at 30 September 2024	7,485	36	277	19	(177)	7,640	1,264	8,904

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 30 September 2024

Company	Share capital	Retained earnings	Total
	$'000	**$'000**	**$'000**
Balance at 1 October 2022	5,245	4,406	9,651
Loss for the year, representing total comprehensive loss for the year	–	(212)	(212)
Balance at 30 September 2023	5,245	4,194	9,439
Loss for the year, representing total comprehensive loss for the year	–	(490)	(490)
Transactions with owners, recognised directly in equity:			
Issuance of right shares	2,240	–	2,240
Balance at 30 September 2024	7,485	3,704	11,189

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 September 2024

	Group 2024	Group 2023
	$'000	$'000
Operating activities		
Loss before tax	(2,199)	(2,223)
Adjustments for:		
Interest income	(19)	(13)
Interest expense on lease liabilities	152	174
Depreciation of property, plant and equipment	514	493
Depreciation of right-of-use assets	1,373	1,372
Amortisation of intangible assets	129	97
Bad debts written off	–	*
Advance payment written off	46	–
Allowance for inventory obsolescence, net	18	83
Loss on disposal of property, plant and equipment	294	–
Net foreign exchange loss	62	75
Amortisation of deferred grant income	(176)	(56)
Operating cash flows before movements in working capital	194	2
Inventories	(371)	193
Trade and other receivables	(939)	787
Contract assets	(783)	186
Trade and other payables	1,136	(50)
Contract liabilities	(257)	(166)
Cash (used in) generated from operations	(1,020)	952
Interest paid on lease liabilities	(152)	(174)
Income tax paid	(72)	(181)
Net cash (used in) generated from operating activities	(1,244)	597
Investing activities		
Purchase of property, plant and equipment[(a)]	(149)	(181)
Proceeds from disposal of property, plant and equipment	12	–
Interest received	19	13
Purchase of intangible assets	–	(8)
Net cash used in investing activities	(118)	(176)
Financing activities		
Dividends paid to non-controlling shareholders by subsidiary	(980)	(294)
Repayment of lease liabilities	(1,410)	(1,353)
Proceeds from issuance of right shares	2,240	–
Cash used in financing activities	(150)	(1,647)
Net decrease in cash and cash equivalents	(1,512)	(1,226)
Cash and cash equivalents at beginning of year	5,876	7,177
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(62)	(75)
Cash and cash equivalents at end of year (Note 6)	4,302	5,876

* Less than $1,000

(a) During the year, the Group purchased property, plant and equipment with an aggregate cost of $330,000 (2023 : $181,000) of which $149,000 (2023 : $181,000) was paid in cash and $181,000 (2023 : $Nil) remained unpaid as at the reporting date.

See accompanying notes to financial statements.

1 GENERAL INFORMATION

The Company (Registration Number 201217895H) is incorporated in the Republic of Singapore with its principal place of business and registered office at 86 International Road, Singapore 629176. The Company was listed on Catalist board, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 19 April 2013.

The financial statements are expressed in Singapore dollars, and all values are rounded to the nearest thousand ($'000) except where otherwise stated.

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

The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 30 September 2024 were authorised for issue by the board of directors on 16 December 2024.

BASIS OF PREPARATION - The financial statements have been prepared on the historical cost basis, except as disclosed in the material accounting policy information, and are drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("**SFRS(I) s**"). The financial statements are expressed in Singapore dollars.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

ADOPTION OF NEW AND REVISED STANDARDS - In the current year, the Group and the Company have applied all the new and revised SFRS(I) Accounting Standards that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except as below.

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*

The Group has adopted the amendments to SFRS(I) 1-1 for the first time in the current year. The amendments change the requirements in SFRS(I) 1-1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in SFRS(I) 1-1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Group has applied materiality guidance in SFRS(I) Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.

Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The Group has adopted the amendments to SFRS(I) 1-12 for the first time in the current year. The amendments narrow the scope of the initial recognition exemption, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences (e.g. leases and decommissioning obligations). Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

1 GENERAL INFORMATION (cont'd)

Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (cont'd)

The Group had previously recognised deferred tax for leases on an aggregate temporary difference basis. Following the amendments, the Group is required to recognise separately deferred tax asset and deferred tax liability for the deductible and taxable temporary differences in relation to its lease liabilities and right-of-use assets respectively. There was no impact to the opening retained earnings as at 1 October 2022 as a result of the change, and there was also no impact on the statement of financial position as the resulting deferred tax consequences qualify for offsetting under SFRS(I) 1-12.

New/Revised Standards and Improvements to the Standards Not Yet Adopted

At the date of authorisation of these financial statements, the Group and Company have not applied the following SFRS(I) pronouncements that have been issued but are not yet effective:

<u>Effective for annual periods beginning on or after 1 January 2024</u>

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*

<u>Effective for annual periods beginning on or after 1 January 2025</u>

- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*

<u>Effective for annual periods beginning on or after 1 January 2026</u>

- Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*

<u>Effective for annual periods beginning on or after 1 January 2027</u>

- Amendments to SFRS(I) 18: *Presentation and Disclosure in Financial Statements*
- Amendments to SFRS(I) 19: *Subsidiaries without Public Accountability: Disclosures*

Management anticipates that the adoption of the above amendments to SFRS in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

2 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 S*hare-based Payment,* leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is 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.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* ("**SFRS(I) 9**"), or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

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

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered to replace share-based payment arrangements of the acquiree are measured in accordance with SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

BUSINESS COMBINATIONS (cont'd)

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

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

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

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

MERGER RESERVE - Merger reserve represents the difference between the nominal amount of the share capital of the subsidiaries at the date on which they were acquired by the Group from a common shareholder and consideration paid for the acquisition.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Except for debt instruments that meet the conditions for subsequent measurement at amortised cost, all other financial assets are subsequently measured at fair value through profit or loss ("**FVTPL**").

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transactions costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the "interest revenue" line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other gains and losses" line item.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

Financial assets (cont'd)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("**ECL**") on trade and other receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

Financial assets (cont'd)

Significant increase in credit risk (cont'd)

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily reduce the ability of the borrower to fulfill its contractual cash flow obligations.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet the following criteria are generally not recoverable.

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

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

a) significant financial difficulty of the debtor; or

b) a breach of contract, such as a default or past due event; or

c) it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty has no realistic prospect of recovery, e.g. when the counterparty has ceased business. Any recoveries received are recognised in profit or loss.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

Financial assets (cont'd)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

FINANCIAL INSTRUMENTS (cont'd)

Financial liabilities and equity instruments (cont'd)

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

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

Financial guarantee contracts liabilities are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with revenue recognition policies.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other gains and losses" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

OFFSETTING ARRANGEMENTS - Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

LEASES (cont'd)

The Group as lessee (cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

The incremental borrowing rate reflects the fixed rate at which the Group could borrow an amount similar to the value of the right-of-use assets, in the same currency, for a similar term, and with similar collateral.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

LEASES (cont'd)

The Group as lessee (cont'd)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described below.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Renovations	-	10 years
Furniture and fittings	-	10 years
Computers	-	3 years
Motor vehicles	-	5 to 10 years
Machinery and equipment	-	5 to 10 years
Office equipment	-	10 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

GOODWILL - Goodwill is initially recognised and measured as set out in the business combinations accounting policy.

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

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

INTANGIBLE ASSETS - Intangible assets acquired with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives are disclosed in Note 12. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

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

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

PROVISIONS (cont'd)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows when the effect of the time value of money is material.

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

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred grant income and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION - Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Sale of doors and shutter systems

Revenue generated from sale of doors and shutter systems is recognised when control of the goods has transferred, being when the goods have been delivered and installed at the customer's specific location. Following the delivery and installation, the customer has full discretion over the manner of use of the doors and shutter systems.

A contract asset is recognised when the delivery and installations are performed, representing the Group's right to consideration for the performance obligation completed to date but not yet billed. The contract asset is reclassified to trade receivables when the consideration is billed.

Included in the transaction price for the sale of doors and shutter systems is a warranty provided by the Group with every purchase of a new door and/or shutter system for a period of 12 months after delivery. Such warranties associated with sale of doors and shutter systems cannot be purchased separately and they serve as an assurance that the doors and shutter systems delivered and installed comply with agreed upon specifications. Accordingly, the Group accounts for such assurance warranties in accordance with SFRS(I) 1- 37 *Provisions, Contingent Liabilities and Contingent Assets* consistent with its previous accounting treatment.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

REVENUE RECOGNITION (cont'd)

Trading of production component

Revenue generated from trading of production component is recognised when the control of the goods has transferred to the customer, being when the goods have been transferred to the customer based on the agreed upon incoterms with the customer. A receivable is recognised by the Group when the good is transferred to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Service and maintenance works

The Group also provides service and maintenance works for the products supplied or installed by the Group or third parties.

For the provision of service and maintenance works, revenue is recognised upon the completion of service and maintenance works, which is typically completed within a day. Management considers that the completion of the service and maintenance works represents that the performance obligation is satisfied. A receivable is recognised by the Group when the service and maintenance works are completed as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

INCOME TAX (cont'd)

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity within the Group are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the group entities, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into to hedge certain foreign currency risks; and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements (other than those involves estimates) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has not made any judgements that will have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations as discussed below.

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

Loss allowance

The Group measures allowance based on an assessment of the recoverability of trade and other receivables and contract assets where events or changes in circumstances indicate that the balances may not be collectible with supportable forward-looking information. The estimation of loss allowance requires the use of judgement and estimates. Where the expectation is different from the original estimate, such differences will impact the carrying value of trade and other receivables, contract assets and loss allowance expenses in the period in which such estimate has been changed.

Management monitors outstanding receivables and the financial health of customers, particularly those of larger debtors. Where there are indications that raises doubt about the financial health of customers, management takes proactive steps to recover outstanding debts. Management assesses and determines the loss allowance via calculating the expected future receipts from customers based on past payment trends, relative age of the debtors, knowledge of the customers' business and its financial condition, and forward looking adjustments based on macro-economic factors.

The carrying amounts of trade and other receivables and contract assets are disclosed in Notes 7 and 8 to the financial statements respectively.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Key sources of estimation uncertainty (cont'd)

Impairment of goodwill

The recoverable amount is based on the value in use of the cash-generating unit. The value in use methodology that is based on cash flow forecasts requires significant management's judgement about future market conditions, including growth rates and discount rates. The carrying amount of goodwill at the end of the reporting period was $659,000 (2023 : $659,000). No impairment was required during the year. Details of the impairment assessment are disclosed in Note 12.

Allowance for inventory obsolescence

At the end of each reporting period, management determines whether an allowance for inventory obsolescence is required, taking into consideration the usability, market demand and market value of the inventory. For spare parts that are in usable condition but market value and demand are diminishing, allowance for inventory obsolescence will be made over time.

Arising from the reviews, management sets up the necessary allowance for obsolete and slow-moving inventories for any shortfall in the net realisable value of the inventories. The carrying amount of inventory is disclosed in Note 9 to the financial statements.

Impairment of non-current assets

The recoverable amount is based on the value in use of the cash-generating unit, to which the assets belong to. The value in use methodology that is based on cash flow forecasts requires significant management's judgement about future market conditions, including growth rates and discount rates.

As at the end of the reporting period, one of the Group's subsidiaries, Gliderol Doors (S) Pte. Ltd. was loss-making and cash flow forecasts was prepared based on the most recent financial budgets approved by management for the next five years and beyond.

The rate used to discount the cash flow forecasts for the subsidiary is 15.00% (2023 : 14.25%). As at 30 September 2024, any reasonably possibly change to the key assumptions applied is not likely to result in the recoverable amount to be lower than the carrying amount of the cash-generating unit.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Financial assets:				
At amortised cost (including cash and cash equivalents)	8,130	7,879	7,118	5,359
Financial liabilities:				
At amortised cost	2,228	1,183	209	177
Lease liabilities	5,933	7,112	–	–

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Group does not have any financial instruments which are subject to enforceable master netting arrangements or similar netting agreements.

The Company's netting arrangement are as follows:

30 September 2024

Financial assets	a	b	c = a - b
	Gross amounts of recognised financial asset	Gross amounts of recognised financial liabilities set off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position
	$'000	$'000	$'000
Trade receivable due from a subsidiary	5,822	(4,001)	1,821

Financial liabilities	a	b	c = a - b
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position
	$'000	$'000	$'000
Trade payable due to a subsidiary	4,001	(4,001)	–

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements (cont'd)

30 September 2023

Financial assets	**a** **Gross amounts of recognised financial asset**	**b** **Gross amounts of recognised financial liabilities set off in the statement of financial position**	**c = a - b** **Net amounts of financial assets presented in the statement of financial position**
	$'000	**$'000**	**$'000**
Trade receivable due from a subsidiary	5,822	(3,555)	2,267

Financial liabilities	**a** **Gross amounts of recognised financial liabilities**	**b** **Gross amounts of recognised financial assets set off in the statement of financial position**	**c = a - b** **Net amounts of financial liabilities presented in the statement of financial position**
	$'000	**$'000**	**$'000**
Trade payable due to a subsidiary	3,555	(3,555)	–

In reconciling the 'Net amounts of financial assets and financial liabilities presented in the statement of financial position' to the line item amounts presented in the statement of financial position, the above amounts represent only those which are subject to offsetting, enforceable master netting arrangements and similar agreements.

(c) Financial risk management policies and objectives

The Group's overall financial risk management policies and objectives seek to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by the board of directors and periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

The Group does not hold or issue derivative financial instruments for speculative purposes.

The Company is not exposed to significant foreign exchange risk, interest rate risk, credit risk and liquidity risk.

(i) Foreign exchange risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

(i) Foreign exchange risk management (cont'd)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Group			
	Assets		Liabilities	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
United States dollar	1,543	1,479	173	27
Australian dollar	–	–	38	–
Euro	7	13	2	11
Hong Kong dollar	196	47	2	9
Emirati Dirham	33	36	–	–
Malaysia Ringgit	–	–	2	–

The Company has investment in a foreign subsidiary, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

(a) Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each entity. 10% is the sensitivity rate that represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the relevant foreign currency weakens by 10% against the functional currency of each entity, loss will increase by:

	Group	
	2024	2023
	$'000	$'000
Loss:		
United States dollar	137	145
Australian dollar	(4)	–
Euro	*	*
Hong Kong dollar	19	4
Emirati Dirham	3	4
Malaysia Ringgit	*	–

If the relevant foreign currency strengthens by 10% against the functional currency of each entity in the Group, there will be an equal and opposite impact on loss.

The Company does not hold significant foreign currency denominated financial assets or financial liabilities and hence, no foreign currency sensitivity was performed.

* Less than $1,000

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

(ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. No sensitivity analysis is prepared as the Group and Company are not significantly affected by changes in market interest rates as the interest-bearing financial assets namely bank balances mainly carried fixed interest.

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining advance payments of sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed and approved by management periodically.

Before accepting any new customer, the sales department will do an independent assessment of the financial health of the customer via review of the financial reports and assess if these customers are in the position to make payments on billing. Sales department will also run a business search and negative news search to ensure that the prospective customers are not under any litigation or investigation. The independent assessment and search results are also reviewed by senior management. If there are no financial red flags and no negative news surrounding the customer, these orders may then be accepted, subject to the timeline deliverables and expected gross profit from the order. These prospective customers are reviewed by the sales and service senior manager and approved by the chief operating officer and executive director prior to making sales to them.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade debt on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regards, management considers that the Group's credit risk is significantly reduced.

Concentration of credit risk exists when changes in economic, industry or geographic factors similarly affect the Group's counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group also has concentration of credit risk by geographical location as most of the customers are located in Singapore and Europe.

The Company has an amount due from a subsidiary which amounted to $5,044,000 (2023 : $3,417,000).

The credit risk on liquid funds is limited because the Group places their bank balances with creditworthy financial institutions.

The maximum amount the Company could be forced to settle under the financial guarantee, if the full guaranteed amount is claimed by the counterpart to the guarantee is $706,000 (2023 : $988,000). Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

(iii) Credit risk management (cont'd)

The carrying amount of financial assets recorded in the financial statements, grossed up for any loss allowances, represents the Group's maximum exposure to credit risk.

The Group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses ("ECL")**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Group's financial assets as well as maximum exposure to credit risk by credit risk grades:

Group	**Note**	**Internal credit rating**	**12-month or lifetime ECL**	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**
				$'000	**$'000**	**$'000**
30 September 2024						
Trade receivables due from third parties	7	(i)	Lifetime ECL (simplified approach)	2,115	–	2,115
Trade receivables due from related parties	7	(i)	Lifetime ECL (simplified approach)	406	–	406
Other receivables due from third parties	7	Performing	12-month ECL	27	–	27
Deposits	7	Performing	12-month ECL	106	–	106
Contract assets	8	(i)	Lifetime ECL (simplified approach)	1,174	–	1,174
					–	
30 September 2023						
Trade receivables due from third parties	7	(i)	Lifetime ECL (simplified approach)	1,508	–	1,508
Other receivables due from third parties	7	Performing	12-month ECL	33	–	33
Deposits	7	Performing	12-month ECL	71	–	71
Contract assets	8	(i)	Lifetime ECL (simplified approach)	391	–	391
					–	

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

(iii) Credit risk management (cont'd)

Company	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$'000	$'000	$'000
30 September 2024						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	1,821	–	1,821
Other receivables due from a subsidiary	7	Performing	12-month ECL	3,223	–	3,223
					–	
30 September 2023						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	2,267	–	2,267
Other receivables due from third parties	7	Performing	12-month ECL	20	–	20
Other receivables due from a subsidiary	7	Performing	12-month ECL	1,150	–	1,150
					–	

(i) For trade receivables and contract assets, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items based on historical credit loss experience on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Further details of credit risk on trade and other receivables and contract assets are disclosed in Notes 7 and 8 to the financial statements respectively.

(iv) Liquidity risk management

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance its activities.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management (cont'd)

The table below summarises the maturity profile of the Group's and the Company's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted payments.

	Average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment*	Total
	%	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group						
30 September 2024						
Financial liabilities	–	2,228	–	–	–	2,228
Lease liabilities	2.3%	1,615	4,570	50	(302)	5,933
		3,843	4,570	50	(302)	8,161
30 September 2023						
Financial liabilities	–	1,183	–	–	–	1,183
Lease liabilities	2.3%	1,521	5,994	–	(403)	7,112
		2,704	5,994	–	(403)	8,295
Company						
30 September 2024						
Financial liabilities	–	209	–	–	–	209
30 September 2023						
Financial liabilities	–	177	–	–	–	177

* The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability in the statement of financial position.

(v) Fair value of financial assets and financial liabilities

Management considers that the carrying amounts of financial assets and financial liabilities of the Group and the Company recorded at amortised cost in the financial statements approximate their fair values. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2023.

The capital structure of the Group consists of net debt (lease liabilities disclosed in Note 16 after deducting cash and bank balances) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests).

The capital structure of the Company consists of equity attributable to owners of the Company, which comprises issued capital and retained earnings.

Management reviews the capital structure on an annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt.

5 ULTIMATE HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

Some of the transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, group entities entered into the following transactions with related parties:

	Group	
	2024	**2023**
	$'000	**$'000**
Companies in which directors of the Company have substantial financial interest		
Sales of doors and service works	533	–
Subcontractor fees	29	–

Compensation of directors and key management personnel

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

	Group	
	2024	**2023**
	$'000	**$'000**
Short-term benefits	1,179	1,262
Post-employment benefits	78	58
	1,257	1,320

6 CASH AND CASH EQUIVALENTS

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Cash on hand	1	2	*	*
Cash at banks	4,301	4,874	2,074	1,922
Bank deposits	–	1,000	–	–
	4,302	5,876	2,074	1,922

* Less than $1,000.

In 2023, bank deposits bear an average effective interest rate of 0.10% per annum. These deposits with licensed banks can be withdrawn if required without having to incur significant costs, and therefore, the carrying amounts approximate their fair values.

7 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables due from third parties	2,115	1,508	–	–
Trade receivables due from related parties	406	–	–	–
Trade receivables due from a subsidiary	–	–	1,821	2,267
Other receivables due from third parties	27	33	–	20
Other receivables due from a subsidiary	–	–	3,223	1,150
Deposits	106	71	–	–
Prepayments	111	127	40	17
Advances to supplier	124	259	–	–
	2,889	1,998	5,084	3,454

As at 1 October 2022, trade and other receivables for the Group and the Company are $2,787,000 and $2,333,000 respectively.

The average credit period for trade receivables is approximately 30 to 60 days (2023 : 30 to 60 days). No interest is charged on the outstanding trade receivables.

The trade receivables due from a subsidiary are unsecured, interest-free and repayable on demand.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses ("**ECL**"). The ECL on trade receivables are individually assessed to be credit impaired and estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Management determines that the trade receivables is subjected to immaterial credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

7 TRADE AND OTHER RECEIVABLES (cont'd)

The table below is an analysis of aging of trade receivables that are current and past due as at the end of the reporting period:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Current	1,136	1,044	–	–
Past due				
< 1 month	688	336	–	–
1 month to 3 months	614	84	–	–
3 months to 6 months	67	29	–	–
6 months to 12 months	3	–	–	–
> 12 months	13	15	1,821	2,267
	2,521	1,508	1,821	2,267

A trade receivable is written off when there is information indicating that the debtor has no prospect of recovery, e.g. when the debtor has ceased business.

Other receivables

Other receivables from third parties are unsecured, interest-free and repayable on demand.

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for other receivables, the loss allowance is measured at an amount equal to 12-month ECL, except for receivables which the Group has assessed that there has been a significant increase in credit risk since initial recognition and loss allowance has been recognised.

In determining the 12-month ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. Management determines that the other receivables is subjected to immaterial credit loss.

8 CONTRACT ASSETS

	Group	
	2024	2023
	$'000	$'000
Contract assets	1,174	391
Analysed as current	1,174	391

There were no significant changes in the contract asset balances during the reporting period.

As at 1 October 2022, contract assets amounted to $577,000.

8 CONTRACT ASSETS (cont'd)

Management always estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the past default experience of the customers and an analysis of the customer's current financial position, adjusted for factors that are specific to the customers, general economic conditions of the industry in which the customers operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Management determines that the contract asset is subjected to immaterial credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

9 INVENTORIES

	Group	
	2024	**2023**
	$'000	**$'000**
Raw materials	1,618	1,412
Finished goods	404	257
	2,022	1,669

The cost of inventories recognised as an expense includes $18,000 (2023 : $83,000) in respect of write-downs of inventory to net realisable value.

10 PROPERTY, PLANT AND EQUIPMENT

Group	**Renovations**	**Furniture and fittings**	**Computers**	**Motor vehicles**	**Machinery and equipment**	**Office equipment**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cost:							
At 1 October 2022	840	352	369	799	3,307	159	5,826
Additions	–	–	35	–	146	–	181
At 30 September 2023	840	352	404	799	3,453	159	6,007
Additions	–	12	102	208	4	4	330
Disposals	–	–	–	–	(866)	–	(866)
At 30 September 2024	840	364	506	1,007	2,591	163	5,471
Accumulated depreciation:							
At 1 October 2022	580	270	313	484	2,181	93	3,921
Depreciation	82	28	38	80	250	15	493
At 30 September 2023	662	298	351	564	2,431	108	4,414
Depreciation	82	29	63	88	237	15	514
Disposals	–	–	–	–	(560)	–	(560)
At 30 September 2024	744	327	414	652	2,108	123	4,368
Carrying amount:							
At 30 September 2024	96	37	92	355	483	40	1,103
At 30 September 2023	178	54	53	235	1,022	51	1,593

11 RIGHT-OF-USE ASSETS

The Group leases leasehold buildings, motor vehicles and office equipment. The average lease term is 1 to 10 years (2023 : 1 to 10 years).

	Leasehold buildings	Motor vehicles	Office equipment	Total
	$'000	$'000	$'000	$'000
Group				
Cost:				
At 1 October 2022	13,100	73	41	13,214
Additions	98	28	11	137
At 30 September 2023	13,198	101	52	13,351
Additions	–	29	21	50
At 30 September 2024	13,198	130	73	13,401
Accumulated depreciation:				
At 1 October 2022	5,523	70	32	5,625
Depreciation	1,339	25	8	1,372
At 30 September 2023	6,862	95	40	6,997
Depreciation	1,340	28	5	1,373
At 30 September 2024	8,202	123	45	8,370
Carrying amount:				
At 30 September 2024	4,996	7	28	5,031
At 30 September 2023	6,336	6	12	6,354

12 INTANGIBLE ASSETS

	Patent	Goodwill	Other intangibles	Total
	$'000	**$'000**	**$'000**	**$'000**
Group				
Cost:				
At 1 October 2022	1,698	859	919	3,476
Additions	–	–	8	8
30 September 2023 and 30 September 2024	1,698	859	927	3,484
Accumulated amortisation:				
At 1 October 2022	1,091	–	825	1,916
Amortisation	94	–	3	97
At 30 September 2023	1,185	–	828	2,013
Amortisation	94	–	35	129
At 30 September 2024	1,279	–	863	2,142
Impairment:				
At 1 October 2022, 30 September 2023 and 30 September 2024	–	200	–	200
Carrying amount:				
At 30 September 2024	419	659	64	1,142
At 30 September 2023	513	659	99	1,271

(a) The patent has a finite useful life. Amortisation is charged using the straight-line method over its estimated useful life of 18 years.

(b) Goodwill of $859,000 (2023 : $859,000) and other intangibles of $824,000 (2023 : $824,000) arise from the acquisition of a subsidiary, Grimm Industries Pte. Ltd ("Grimm") during the financial year ended 30 September 2016.

(c) Other intangibles comprise of customer relationships, order backlog, website of $722,000, $102,000 and $103,000 respectively (2023 : $722,000, $102,000 and $103,000). Customer relationships and order backlog were acquired in a business combination. The useful life of customer relationships and order backlog had been fully amortised as at 30 September 2021. The website pertains to a subsidiary's website developed by third party.

(d) The amortisation expenses have been included in the line item "administrative expenses" in profit or loss.

12 INTANGIBLE ASSETS (cont'd)

(e) Goodwill acquired in a business combination is allocated to the cash-generating units ("**CGUs**") that are expected to benefit from that business combination.

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years based on estimated revenue from 2025 to 2029 and estimated growth rate of 2.0% (2023 : 1.0%) beyond 5 years. The rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the cash flow forecasts for Grimm is 14.9% (2023 : 15.0%). During the year, no further impairment loss on goodwill was made.

As at 30 September 2024, any reasonably possibly change to the key assumptions applied is not likely to result in the recoverable amount to be lower than the carrying amount of the cash-generating unit.

13 SUBSIDIARIES

	Company	
	2024	**2023**
	$'000	**$'000**
Unquoted equity shares, at cost	4,240	4,240

13 SUBSIDIARIES (cont'd)

(i) Details of the Group's subsidiaries are as follows:

Name of subsidiaries	Country of Incorporation and operations	Proportion of ownership interest and voting power held		Principal activities
		2024	2023	
		%	%	
<u>Held by the Company</u>				
Gliderol Doors (S) Pte. Ltd. (1)	Singapore	100	100	Manufacture of metal doors, window and door frames, grilles and gratings.
Grimm Industries Pte. Ltd. (1)	Singapore	51	51	Trading of production components.
Homegardd Pte. Ltd. (1)	Singapore	100	100	Retail sale and wholesale of security and safety equipment.
<u>Held by Gliderol Doors (S) Pte. Ltd.</u>				
Gliderol International (ME) FZE (2)	United Arab Emirates	100	100	Dormant.

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) This subsidiary is insignificant and unaudited.

(ii) The table below shows details of non-wholly owned subsidiary of the Group that have material non-controlling interests:

	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interest		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2024	2023	2024	2023	2024	2023
		%	%	$'000	$'000	$'000	$'000
Grimm Industries Pte. Ltd.	Singapore	49	49	262	223	1,264	1,982

13 SUBSIDIARIES (cont'd)

(iii) Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Grimm Industries Pte. Ltd.	
	2024	**2023**
	$'000	**$'000**
Current assets	2,343	3,788
Non-current assets	69	121
Current liabilities	(314)	(294)
Non-current liabilities	(9)	(62)
Revenue	4,491	4,473
Expenses	(3,955)	(4,017)
Profit for the year	536	456
Profit attributable to owners of the Company	274	233
Profit attributable to the non-controlling interests	262	223
Profit for the year	536	456
Other comprehensive income attributable to owners of the Company	–	–
Other comprehensive income attributable to non-controlling interests	–	–
Other comprehensive income	–	–
Total comprehensive income attributable to owners of the Company	274	233
Total comprehensive income attributable to non-controlling interests	262	223
Total comprehensive income for the year	536	456
Dividend paid to non-controlling interests	980	294
Net cash inflow from operating activities	439	1,088
Net cash inflow from investing activities	9	*
Net cash outflow from financing activities	(2,050)	(650)
Net cash (outflow) inflow	(1,602)	438

* Less than $1,000

14 TRADE AND OTHER PAYABLES

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables due to third parties	1,281	356	74	42
Accruals and other payables	947	827	135	135
Deferred grant income	84	260	–	–
	2,312	1,443	209	177
Less: Non-current deferred grant income	(53)	(189)	–	–
	2,259	1,254	209	177

The average credit period for trade payables is 30 to 60 days (2023 : 30 to 60 days). No interest is charged on the outstanding balances.

15 CONTRACT LIABILITIES

	Group	
	2024	**2023**
	$'000	**$'000**
Contract liabilities	392	649
Analysed as current	392	649

Contract liabilities related to the Group's obligation to deliver and install the doors and shutter systems for which the Group has received or yet to receive the consideration from customer. Contract liabilities are recognised as revenue when control of the goods has transferred to the customer, being at the point the doors and shutter systems are delivered to the customer.

The following table shows how much of the revenue recognised in the current reporting period that relates to brought forward contract liabilities. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

Group's revenue recognised that was included in the contract liability balance at the beginning of the period is as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
Contract liabilities in prior reporting period recognised as revenue in current reporting period	649	815

16 LEASE LIABILITIES

	Group 2024	Group 2023
	$'000	$'000
Maturity analysis:		
Year 1	1,615	1,521
Year 2	1,570	1,570
Year 3	1,632	1,533
Year 4	1,334	1,594
Year 5	34	1,297
Year 6 onwards	50	–
	6,235	7,515
Less: Unearned interest	(302)	(403)
	5,933	7,112
Analysed as:		
Current	1,499	1,374
Non-current	4,434	5,738
	5,933	7,112

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

The fair value of the Group's lease obligations approximates their carrying amounts.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 October 2023	Financing cash flows	New lease liabilities	30 September 2024
	$'000	$'000	$'000	$'000
Lease liabilities	7,112	(1,410)	231	5,933

	1 October 2022	Financing cash flows	New lease liabilities	30 September 2023
	$'000	$'000	$'000	$'000
Lease liabilities	8,328	(1,353)	137	7,112

17 DEFERRED TAX LIABILITIES

Deferred tax liabilities arise from the excess of tax over book depreciation of property, plant and equipment and intangible assets.

	Group
	$'000
At 1 October 2022	184
Credited to profit or loss for the year (Note 24)	(180)
At 30 September 2023	4
Credited to profit or loss for the year (Note 24)	–
At 30 September 2024	4

18 SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Issued and paid up	
	2024	2023	2024	2023
	'000	'000	$'000	$'000
Issued and paid up:				
Beginning of financial period	112,000	112,000	5,245	5,245
Issue of new ordinary shares				
Issuance of right shares[1]	112,000	–	2,240	–
End of financial period	224,000	112,000	7,485	5,245

(1) On 1 August 2024, the Company completed its rights issue and allotted and issued 112,000,000 new ordinary shares and 224,000,000 free detachable unlisted and transferable warrants. The issue price was S$0.02 for each Rights share subscription.

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

The Company has no subsidiary holdings or treasury shares as at 30 September 2024 and 30 September 2023.

As at 30 September 2024, there were 224,000,000 outstanding warrants that can be exercised into 224,000,000 ordinary shares (30 September 2023: Nil). Save for the outstanding warrants, there are no outstanding convertibles as at 30 September 2024 and 30 September 2023.

19 REVENUE

A disaggregation of the Group's revenue for the year is as follows:

	Group	
	2024	2023
	$'000	$'000
Revenue recognised at a point in time		
Sale of doors and shutter systems	5,591	4,423
Trading of production components	4,386	4,414
Service and maintenance works	3,383	3,366
	13,360	12,203

20 OTHER OPERATING INCOME

	Group	
	2024	2023
	$'000	$'000
Sundry income	60	45
Government grant income	25	17
Amortisation of deferred income	177	56
	262	118

21 INTEREST REVENUE

	Group	
	2024	2023
	$'000	$'000
Interest income from bank deposits	19	13

22 OTHER LOSSES

	Group	
	2024	2023
	$'000	$'000
Loss on disposal of property, plant and equipment	294	–
Net foreign exchange loss	107	118
	401	118

23 FINANCE COSTS

	Group	
	2024	**2023**
	$'000	**$'000**
Interest expense on lease liabilities	152	174

24 INCOME TAX EXPENSE (CREDIT)

	Group	
	2024	**2023**
	$'000	**$'000**
Tax (credit) expense comprises:		
- Current tax expense	89	75
- Deferred tax benefit (Note 17)	–	(180)
- Adjustments recognised in the current year in relation to current tax of prior years	(18)	–
Income tax expense (credit)	71	(105)

Domestic income tax is calculated at 17% (2023 : 17%) of the estimated assessable profit for the year.

	Group	
	2024	**2023**
	$'000	**$'000**
Numerical reconciliation of income tax expense		
Loss before tax	(2,199)	(2,223)
Income tax benefit calculated at 17% (2023 : 17%)	(374)	(378)
Effect of income that is exempt from taxation	(47)	(26)
Effect of expenses that are not deductible in determining taxable profit	22	45
Adjustments recognised in the current year in relation to current tax of prior years	(18)	–
Adjustments recognised in the current year in relation to deferred tax of prior years	–	(180)
Deferred tax assets not recognised	484	434
Others	4	–
Income tax expense (credit)	71	(105)

As at 30 September 2024, the Group has unabsorbed tax losses and temporary difference of approximately $14,126,000 (2023 : $11,280,000) that have not been recognised as deferred tax assets.

The unabsorbed tax losses are allowed to be carried forward and used to offset against future taxable profits of subsidiaries in which the items arose, subject to agreement by the relevant tax authorities and compliance with the applicable tax regulations in Singapore.

25 LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	Group	
	2024	2023
	$'000	$'000
Cost of inventories recognised as expenses	5,198	5,106
Allowance for inventory obsolescence, net	18	83
Depreciation of property, plant and equipment	514	493
Depreciation of right-of-use assets	1,373	1,372
Amortisation of intangible assets	129	97
Rental expense on leases	196	143
Loss on disposal of property, plant and equipment	294	–
Audit fees:		
- paid to auditors of the Company	117	112
Non-audit fees	27	31
Aggregate amount of fees paid to auditors	144	143
Directors' remuneration:		
- of the Company	230	712
- of the subsidiary	208	148
Total directors' remuneration	438	860
Employee benefits expense (including directors' remuneration)		
Defined contribution plans	258	220
Salaries and related expenses	4,448	4,287
Total employee benefits expense	4,706	4,507

26 LOSS PER SHARE

The calculation of the loss per share attributable to the owners of the Company is based on the following data:

	Group	
	2024	2023
	$'000	$'000
Loss		
Loss attributable to owners of the Company	2,532	2,341
Number of shares		
Weighted average number of ordinary shares for the purpose of loss per share (Basic)	130,718	112,000
Weighted average number of ordinary shares for the purpose of loss per share (Diluted)	168,153	112,000

26 LOSS PER SHARE (cont'd)

On 1 August 2024, 112,000,000 new ordinary shares were issued at an issue price of S$0.02 per share as part of the rights cum warrants Issue during the financial year.

The loss per share (basic) was calculated by dividing the net loss for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

The loss per share (on a fully diluted basis) was calculated by dividing the net loss for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue, adjusted to take into account the dilutive effect arising from the outstanding warrants pursuant to the Company's rights cum warrants issue that was completed on 1 August 2024.

27 CAPITAL RESERVES

	Group		
	Acquisition deficit(1)	Deemed capital contribution(2)	Total
	$'000	$'000	$'000
At beginning and end of the year	(73)	350	277

The capital reserves represent:

(1) acquisition deficit arising from the changes in the Group's ownership interest in a subsidiary that did not result in change of control; and

(2) deemed capital contribution from former shareholders of Gliderol International (ME) FZE.

28 DIVIDENDS

The directors do not recommend any dividend for the financial year ended 30 September 2024.

29 RIGHT SHARES

On 1 August 2024, 112,000,000 new ordinary shares were issued as part of the rights share cum warrants. The warrants allow the holder to purchase common stock at an exercise price of $0.06. The warrants issued have an exercise period of five (5) years.

The warrant's allocated fair value upon issuance was estimated to be approximately $3.1 million, and was measured using a Black-Scholes option-pricing model with the following assumptions:

Stock price	S$0.05
Strike price	S$0.06
Volatility	37%
Estimated time to expiration	4.8 years
Dividend yield	0%
Number of outstanding shares	224,000,000

30 GUARANTEES

Guarantees arising from investment in a subsidiary are as follows:

	Company	
	2024	**2023**
	$'000	**$'000**
Guarantees given to a financial institution granted to a subsidiary	102	102
Guarantees given to a bank in respect of banking facilities granted to a subsidiary:		
- Utilised	604	886
- Unutilised	2,621	2,339
	3,225	3,225

31 OPERATING LEASE ARRANGEMENTS

The Group as lessee

At 30 September 2024, the Group is committed to $585,000 (2023 : $99,000) for leases.

32 SEGMENT INFORMATION

By business segment

The Group operates and manages its business primarily as a single operating segment in the manufacture, supply of doors and shutter systems, supply of production components products and provision of service and maintenance works. As such, no operating segmental revenue has been prepared. The Group's chief operating decision maker reviews the consolidated results prepared based on the Group's accounting policies when making decisions, including the allocation of resources and assessment of performance of the Group.

By geographical segment

The Group operates mainly in the geographical areas of Singapore, Europe, Asia Pacific, North America, Middle East, East Asia, and Others. The Group's revenue from external customers and information about its segment assets (non-current assets) by geographical locations are detailed below:

	Group	
	2024	**2023**
	$'000	**$'000**
Revenue from external customers (based on location of products delivered)		
Singapore	7,780	7,080
Europe(1)	3,708	3,368
Asia Pacific(2)	1,435	1,404
North America(3)	223	306
Middle East(4)	43	45
East Asia(5)	165	–
Others(6)	6	–
	13,360	12,203

32 SEGMENT INFORMATION (cont'd)

By geographical segment (cont'd)

(1) Europe includes major countries like France, Germany, Italy, Norway and United Kingdom.

(2) Asia Pacific includes Australia, Brunei, Indonesia, Malaysia, Thailand and Vietnam.

(3) North America include United States of America.

(4) Middle East includes Qatar and United Arab Emirates.

(5) Hong Kong.

(6) Mauritius.

	Group	
	2024	**2023**
	$'000	**$'000**
Non-current assets (based on location of assets)		
Singapore	7,276	9,218

STATISTICS OF SHAREHOLDINGS

As at 9 December 2024

Issued and fully paid-up capital	:	S$7,720,000**
Number of shares issued	:	224,000,000 shares
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
Number of treasury shares	:	Nil
Number of subsidary holding	:	Nil

** This is based on records kept with the Accounting and Corporate Regulatory Authority ("**ACRA**") and differs from the accounting records of the Company which is S$7,484,520 due to certain share issue expenses.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	103	41.20	94,600	0.04
1,001 - 10,000	47	18.80	194,500	0.09
10,001 - 1,000,000	85	34.00	14,126,700	6.31
1,000,001 AND ABOVE	15	6.00	209,584,200	93.56
TOTAL	**250**	**100.00**	**224,000,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	TANG HEE SUNG	47,000,000	20.98
2	LIM & TAN SECURITIES PTE LTD	39,618,200	17.69
3	UOB KAY HIAN PRIVATE LIMITED	35,900,800	16.03
4	HAN MING KWANG	17,188,500	7.67
5	WONG LYE YI STACEY	11,188,500	4.99
6	OH BENG HWA	10,000,000	4.46
7	CGS INTL SECURITIES SINGAPORE PL	9,645,200	4.31
8	TAN HONG CHEE	7,520,000	3.36
9	MAYBANK SECURITIES PTE. LTD.	6,300,000	2.81
10	TAN ENG LEE	5,200,000	2.32
11	KEN TAN KHIM SING	5,000,000	2.23
12	BOON SIEW HOCK	4,700,000	2.10
13	DBS NOMINEES (PRIVATE) LIMITED	4,397,000	1.96
14	THOR SHIN YI	3,000,000	1.34
15	LIM TECK CHUAN	2,926,000	1.31
16	SIAH IEK HOI	1,000,000	0.45
17	LEE PEI FANG (GINA)	996,000	0.44
18	TAN JUN LIANG JOSHUA	700,000	0.31
19	CHAN HIANG NGEE	665,300	0.30
20	LEW BI XUAN NICHOLAS	450,000	0.20
	TOTAL	**213,395,500**	**95.26**

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholder	Shareholdings registered in the Name of Substantial Shareholder		Shareholdings in which the Substantial Sharesholders are deemed to be interested	
	No. of Shares	%	No. of Shares	%
Tang Hee Sung	47,000,000	20.98	–	–
Han Ming Kwang	17,188,500	7.67	–	–
Lee Pei Fang (Gina)	996,000	0.44	–	–

PERCENTAGE OF SHAREHOLDING IN PUBLIC HANDS

Based on the information provided, to the best knowledge of the Directors and the substantial shareholder of the Company, 70.90% of the issued ordinary shares of the Company is held in the hands of the public as at 9 December 2024. Accordingly, Rule 723 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of GDS GLOBAL LIMITED (the "**Company**") will be held at 86 International Road, Singapore 629176 on Wednesday, 22 January 2025 at 10.00 a.m. to transact the following business:

As Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 September 2024 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the sum of S$186,000/- as Directors' fees for the financial year ending 30 September 2025 and the payment thereof on a half yearly basis**.** **(Resolution 2)**

3. To re-elect Ms Lee Pei Fang (Gina), who is retiring by rotation in accordance with Regulation 114 of the Company's Constitution, as Director of the Company. **(Resolution 3)**

4. To re-elect Ms Doreen Yew Lai Leng, who is retiring by rotation in accordance with Regulation 114 of the Company's Constitution, as Director of the Company.
[See Explanatory Note (i)] **(Resolution 4)**

5. To re-appoint Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

6. To transact any other business that may be transacted at an AGM.

As Special Business

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

7. Authority to allot and issue shares in the capital of the Company

   That pursuant to Section 161 of the Companies Act 1967 (the "**Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Catalist Rules**") and the Constitution of the Company, authority be and is hereby given to the Directors to:

   (a) (i) allot and issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this resolution was in force, provided that:

(1) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) and Instruments to be issued pursuant to this resolution shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued (including shares to be issued pursuant to the Instruments) other than on a pro rata basis to existing shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of Shares that may be issued shall be based on the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of this resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities or share options or vesting of share awards which were issued and outstanding or subsisting at the time this resolution is passed; and

(b) any subsequent bonus issue, consolidation or sub-division of Shares;

(3) in exercising such authority conferred by this resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company; or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.
[See Explanatory Note (ii)] **(Resolution 6)**

8. Authority to allot and issue shares under:

(A) **<u>GDS Employee Share Option Scheme ("GDS ESOS")</u>**

That pursuant to Section 161 of the Companies Act 1967 (the "**Act**"), authority be and is hereby given to the Directors to:

(i) offer and grant options ("**Options**") from time to time in accordance with the rules of the GDS Employee Share Option Scheme (the "**GDS ESOS Rules**"); and

(ii) allot and issue from time to time such number of shares ("**Shares**") as may be required to be issued pursuant to the exercise of Options granted under the GDS ESOS Rules,

provided always that the aggregate number of Shares to be issued pursuant to the GDS ESOS, when aggregated to the aggregate number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards under any other share option schemes or share schemes, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), on the day immediately preceding the date on which an offer to grant an Option is made. The grant of Options can be made at any time from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
[Explanatory Note (iii)] **(Resolution 7)**

(B) **GDS Performance Share Plan**

That pursuant to Section 161 of the Companies Act 1967 (the "**Act**"), authority be and is hereby given to the Directors to:

(i) offer and grant awards ("**Awards**") from time to time in accordance with the rules of the GDS Performance Share Plan (the "**GDS PSP**"); and

(ii) allot and issue from time to time such number of shares ("**Shares**") as may be required to be issued pursuant to the vesting of Awards granted under the GDS PSP,

provided always that the aggregate number of Shares to be issued or transferred pursuant to the Awards granted under the GDS PSP, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
[Explanatory Note (iii)] **(Resolution 8)**

9. Renewal of the Share Buy-back Mandate

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the "**Act**") and the Catalist Rules of the SGX-ST, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire the shares ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined) during the Relevant Period (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market acquisitions ("**Market Purchases**"), transacted on the SGX-ST or through any other securities exchange on which the Shares may, for the time being, be listed; and/or

(ii) off-market acquisitions ("**Off-Market Purchases**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Catalist Rules,

and otherwise in accordance with all other provisions of the Act and the Catalist Rules of the SGX-ST as may for the time being be applicable (the "**Share Buy-back Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next annual general meeting is held or required by law to be held;

(ii) the date on which Share Buy-backs have been carried out to the full extent mandated under the Share Buy-back Mandate; or

(iii) the date on which the authority contained in the Share Buy-back Mandate is varied or revoked by the Shareholders in a general meeting;

Collectively known as the "**Relevant Period**"

(c) in this resolution:

"**Prescribed Limit**" means 10.0% of the total number of issued and paid-up Shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of passing of this resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered, excluding any treasury shares, that may be held by the Company from time to time;

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (including brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, hundred and five percent (105.0%) of the Average Closing Price (as defined herein); and

(ii) in the case of an Off-Market Purchase, pursuant to an equal access scheme, hundred and twenty percent (120.0%) of the Average Closing Price, where:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the Offer Date pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs during the relevant 5-day period and the day the Share purchases are made; and

"**Offer Date**" means the date on which the Company makes an offer for a Share Buy-back, stating therein the purchase price for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this resolution.
[Explanatory Note (iv)] **(Resolution 9)**

By Order of the Board

Low Mei Mei, Maureen
Company Secretary

Singapore, 3 January 2025

Explanatory Notes:

(i) **Resolution 4** – Ms Doreen Yew Lai Leng, if re-elected, will remain as the Independent Non-Executive Director, a member of the Audit Committee, Remuneration Committee and the Nominating Committee. The Board of Directors ("**Board**") of the Company considers Ms Doreen Yew Lai Leng to be independent for the purposes of Rule 704(7) of the Catalist Rules.

Detailed information of Ms Doreen Yew Lai Leng (including information as set out in Appendix 7F of the Catalist Rules) can be found under "Board of Directors" and "Corporate Governance" of this annual report.

(ii) **Resolution 6** – This Resolution, if passed, will empower the Directors from the date of this AGM until the date of the next AGM, to allot and issue shares and convertible securities in the Company up to an amount not exceeding one hundred percent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which the total number of shares issued other than on a pro rata basis to existing shareholders of the Company, shall not exceed fifty percent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings). This authority will, unless previously revoked or varied at a general meeting, expire at the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

(iii) **Resolutions 7 and 8** – These Resolutions, if passed, will empower the Directors of the Company to allot and issue Shares pursuant to the exercise of Options and vesting of Awards under the GDS ESOS and GDS PSP respectively, provided that the aggregate number of Shares to be issued pursuant to the GDS ESOS and GDS PSP, when aggregated to the number of Shares issued and issuable or transferred and to be transferred under any other share option schemes or share schemes of the Company shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

(iv) **Resolution 9** – This Resolution, if passed, will empower the Directors of the Company from the date of the above annual general meeting until the date on which the next AGM is to be held or is required by law to be held, the date on which the share buyback is carried out to the full extent mandated, or the date on which the authority contained in the Share Buyback Mandate is varied or revoked, whichever is the earliest, to purchase or acquire Shares by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), provided that the aggregate number of Shares to be purchased or acquired under the Share Buy-back Mandate does not exceed the Prescribed Limited, and at such price(s) as may be determined by the Directors of the Company from time to time up to but not exceeding the Maximum Price. The information relating to this Resolution is set out in the Appendix enclosed together with the Annual Report.

Notes:

1. The members of the Company are invited to **attend physically** at the AGM. **There will be <u>no option</u> for shareholders to participate virtually**. The Notice of AGM, Proxy Form, Request Form (to request for printed copy of the Annual Report) and Annual Report will be available to members by electronic means via publication on the Company's website at https://www.gdsglobal.com.sg and on the SGXNet at https://www.sgx.com/securities/company-announcements. Printed copies of the Notice, Proxy Form and Request Form will also be sent by post to members. Members who wish to receive a printed copy of the Annual Report are required to complete the Request Form and return it to the Company by 8 January 2025.

2. Members (including Central Provident Fund Investment Scheme members ("**CPF Investors**") and/or Supplementary Retirement Scheme investors ("**SRS Investors**")) may participate in the AGM by:

   (a) attending the AGM in person;
   (b) raising questions at the AGM or submitting questions in advance of the AGM; and/ or
   (c) voting at the AGM
       (i) themselves personally; or
       (ii) through their duly appointed proxy(ies).

   CPF Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes **by 10.00 a.m. on 13 January 2025**, being seven (7) working days prior to the date of the AGM.

   Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process.

3. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

   Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

4. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Act.

   (a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital market services license to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (c) the Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

5. A member can appoint the Chairman of the AGM as his/her/its proxy **but** this is **not mandatory**.

   If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

6. The Proxy Form must be submitted to in the following manner:

   (a) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at **srs.proxy@boardroomlimited.com**; or

   (b) if submitted by post, be lodged at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632

   in either case, by **19 January 2025, 10.00 a.m.**, being no later than seventy-two (72) hours before the time fixed for the AGM. A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before sending it by email to the email address provided above.

   The instrument appointing a proxy(ies) must be signed by the appointer or his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy(ies) is signed on behalf of the appointer by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

   The Company shall be entitled to reject the instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument of proxy (such as in the case where the appointer submits more than one (1) instrument of proxy).

   In the case of a member whose shares are entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore Statutes), the Company may reject any instrument of proxy lodged if such member, being the appointer, is not shown to have any shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

7. Members may raise questions at the AGM or submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM. For members who would like to submit questions in advance of the AGM, they may do so **by 10 January 2025, 10.00 a.m.**:

   (a) by email to **srs.teamd@boardroomlimited.com** or;

   (b) by post to the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632

   Members submitting questions are requested to state: (a) their full name; and (b) the member's identification/ registration number, failing which the Company shall be entitled to regard the submission as invalid. The Company will publish its responses to the substantial and relevant questions submitted by members prior to the abovementioned deadline by 17 January 2025, 10.00 a.m. which is at least 48 hours before the proxy form dateline.

8. For questions received after 10 January 2025, the Company will endeavour to address all substantial and relevant questions submitted by members prior to or during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The Company will publish the responses to such questions together with the minutes of the AGM on SGXNet and the Company's website at https://www.gdsglobal.com.sg/investor-ir-home.html within one (1) month after the date of the AGM.

9. Members are reminded to check SGXNet for any latest updates on the status of the AGM.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

The contact person for the Sponsor is Ms Audrey Mok (Tel: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about the contents herein or as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax or other professional adviser(s) immediately.

This Addendum together with the Annual Report of GDS Global Limited (the "**Company**") for the financial year ended 30 September 2024 (the "**Annual Report**") has been made available to the shareholders of the Company (the "**Shareholders**") on SGXNet and the Company's website at http://www.gdsglobal.com.sg/investor-ir-home.html. Its purpose is to explain to Shareholders the relevant information relating to, and to seek Shareholders' approval for the proposed renewal of the Share Buy-back Mandate (as defined therein) to be tabled at the Annual General Meeting (the "**AGM**") of the Company to be held on Wednesday, 22 January 2025 at 10 a.m.

A printed copy of this Addendum and the Annual Report will NOT be despatched to Shareholders. The notice of AGM and the proxy form are enclosed with the Annual Report.

This Addendum has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). This Addendum has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Addendum, including the correctness of any of the statements or opinions made or reports contained in the Addendum. The contact person for the Sponsor is Ms Audrey Mok (Tel: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542

GDS
Global Limited

GDS GLOBAL LIMITED
(Company Registration Number: 201217895H)
(Incorporated in the Republic of Singapore on 19 July 2012)

ADDENDUM TO THE ANNUAL REPORT IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

GDS GLOBAL LIMITED

(Company Registration Number: 201217895H)
(Incorporated in the Republic of Singapore on 19 July 2012)

Directors

Tang Hee Sung (Non-Executive Non-Independent Chairman)
Lee Pei Fang (Gina) (Executive Director)
Aw Eng Hai (Lead Independent Non-Executive Director)
Cheam Heng Haw, Howard (Independent Non-Executive Director)
Doreen Yew Lai Leng (Independent Non-Executive Director)

Registered Office

86 International Road
Singapore 629176

3 January 2025

To: The Shareholders of GDS Global Limited

Dear Sir/Madam

<u>THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE</u>

1. INTRODUCTION

1.1 The Directors refer to the notice of AGM of the Company dated 3 January 2025 (the **"Notice of AGM"**) convening the AGM of the Company to be held on Wednesday, 22 January 2025.

1.2 The proposed Ordinary Resolution 9 in the Notice of AGM relates to the renewal of a general share buy-back mandate (the "**Share Buy-back Mandate").** The Shareholders had previously approved, at the Extraordinary General Meeting ("**EGM**") of the Company held on 1 July 2024, the renewal of the Share Buy-back Mandate to authorise the directors of the Company (the "Directors") to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "Shares") on the terms of the Share Buy-back Mandate. The authority conferred by the Share Buy-back Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 7 at the 2024 EGM and will expire on the date of the forthcoming AGM. Accordingly, Shareholders' approval is being sought for the renewal of the Share Buy-back Mandate at the forthcoming AGM.

1.3 The purpose of this Addendum is to provide Shareholders with the relevant information relating to, and to explain the rationale for, the proposed renewal of the Share Buy-back Mandate to be tabled at the AGM.

1.4 This Addendum has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) or for any other purpose.

1.5 The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Addendum. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

2.1 **Authority and Limits of the Share Buy-back Mandate**

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buy-back Mandate are summarised below:

2.1.1 **Maximum Number of Shares**

The Share Buy-back Mandate, if renewed, will authorise the Directors, from time to time, to purchase Shares either through market purchases (the "**Market Purchases**") or off-market purchases on an equal access scheme (the "**Off-Market Purchases**") as defined in Section 76C of the Companies Act, Chapter 50 (the "**Companies Act**") and Rule 867 of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**") of up to a maximum of 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM at which the Share Buy-back Mandate is renewed, as such price up to but not exceeding the Maximum Price (as defined below). For the purpose of calculating the percentage of the total number of issued Shares above, any Shares which hare held as treasury shares and subsidiary holdings will be disregarded.

For illustrative purposes only, based on the total number of issued Shares as at 9 December 2024, being the latest practicable date prior to the issue of this Addendum (the "**Latest Practicable Date**") of 224,000,000 Shares (excluding treasury shares and subsidiary holdings), and assuming that there is no change in such number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the EGM, not more than 22,400,000 Shares (representing the Maximum Percentage as at that date of the EGM) may be purchased or acquired by the Company pursuant to the Share Buy-back Mandate.

2.1.2 **Maximum price to be paid for the Shares**

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors but must not exceed:

(a) in the case of a Market Purchase, 105.0% of the Average Closing Price of the Shares; and

(b) in the case of an Off-Market Purchase in accordance with an equal access scheme, 120.0% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the Share Buy-back (the "**Maximum Price**").

For the above purposes of determining the Maximum Price: (i) "**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-Market Day period and the day on which the Market Purchase is made or, as the case may be, the day of making the offer pursuant to the Off-Market Purchase; and (ii) "**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses), which shall not be more than the Maximum Price calculated on the foregoing basis), for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.1.3 **Duration of Authority**

If renewed, the Share Buy-back Mandate will take effect from the date of the AGM and continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier, prior thereto, share purchases are carried out to the full extent mandated or the Share Buy-back Mandate is revoked or varied by the Company at a general meeting.

2.2 **Manner of Purchase of Shares**

Pursuant to Rule 867 of the Catalist Rules, purchases or acquisitions of Shares may be made by way of, amongst others:

(a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the SGX-ST's trading system or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(b) off-market purchases ("**Off-Market Purchases**"), (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-back Mandate, the Catalist Rules, the Companies Act and the Constitution, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). Under Section 76C(6) of the Companies Act, an equal access scheme must satisfy all the following conditions:

(i) offers under the scheme shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers shall be the same, except that there shall be disregarded:

(1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

(2) differences in consideration attributable to the fact that the offers may relate to Shares with different amounts remaining unpaid; and

(3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Catalist Rules provides that, in making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders which must contain at least the following information:

(A) the terms and conditions of the offer;

(B) the period and procedures for acceptances;

(C) the reasons for the proposed Share Buy-back;

(D) the consequences, if any, of Share Buybacks by the Company that will arise under the Singapore Code on Take-overs and Mergers (the "**Take-over Code**") or other applicable take-over rules;

(E) whether the Share Buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;

(F) details of any Share Buyback made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and

(G) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

2.3 **Rationale for the Share Buy-back Mandate**

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

(a) The Share Buy-back Mandate provides the Company with greater flexibility in managing its capital, share capital structure and maximising returns to the Shareholders. Undertaking the Share Buy-back at the appropriate price level is one of the ways through which the return on equity (and, depending on market conditions, the earnings per share ("**EPS**") and the net asset value ("**NAV**") per Share) of the Company may be enhanced;

(b) The Share Buy-back is an expedient, effective and cost-efficient way to facilitate the return of surplus funds which are in excess of the Company's financial needs, to the Shareholders;

(c) Share Buy-backs may help mitigate short-term volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence which are not otherwise caused by general market factors and/or fundamentals of the Company;

(d) Shares purchased or acquired under the Share Buy-back Mandate may be held as treasury shares and used for prescribed purposes, such as selling the treasury shares for cash. The transfer of treasury shares in lieu of issuing new Shares pursuant to any share scheme or as consideration for acquisitions would also mitigate the dilution impact for existing Shareholders; and

(e) The adoption of the Share Buy-back Mandate provides the Directors with the flexibility to undertake the Share Buy-back at any time, subject to market conditions, during the period when the Share Buy-back Mandate is in force.

While the Share Buy-back Mandate would authorise a purchase or acquisition of Shares up to the 10% limit described in Section 2.1.1 during the period referred to in Section 2.1.3, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy-back Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buy- back Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or the Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buy-back Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

2.4 **Sources of Funds for Share Buy-back**

In buying back Shares, the Company may only apply funds legally available for such purchase in accordance with its Constitution and the applicable laws in Singapore. The Company may not purchase or acquire Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Catalist Rules.

Company may purchase or acquire its Shares out of capital or profits so long as the Company is solvent and Share Buy-backs by the Company may be made out of the Company's profits or capital so long as the Company is solvent as defined in Section 76F(4) of the Companies Act.

In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimation of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company (if any).

For this purpose, pursuant to the Companies Act, a company is "solvent" if the following conditions are satisfied:

(a) there is no ground on which the company could be found to be unable to pay its debts;

(b) if:

(i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or

(ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and

(c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of its Shares pursuant to the Share Buy-back Mandate. In purchasing or acquiring Shares pursuant to the Share Buy-back Mandate, the Directors will principally consider the availability of internal resources. In addition, the Directors will consider the availability of external financing. However, in considering the option of external financing, the Directors will also consider the financial position of the Group, particularly the prevailing gearing level of the Group and the costs of such financing.

The Directors will only make purchases or acquisitions of Shares pursuant to the Share Buy-back Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

2.5 **Status of Purchased or Acquired Shares**

2.5.1 **Cancellation**

Shares purchased or acquired by the Company shall be deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares in accordance with Section 76H of the Companies Act.

At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, as the Directors deem fit in the interest of the Company at that time. The total number of issued Shares will be diminished by the number of Shares purchased or acquired out of the capital of the Company which are not held as treasury shares and the amount of the share capital of the Company shall be reduced accordingly.

All Shares purchased or acquired by the Company (unless held as treasury shares by the Company to the extent permitted under the Companies Act), will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

2.5.2 **Treasury Shares**

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

(a) Maximum Holdings

The numbers of shares held as treasury shares cannot at any time exceed 10.0% of the total number of its issued Shares. In the event that the number of treasury shares held by the Company exceeds 10.0% of the total number of its issued Shares, the Company shall dispose of or cancel the excess treasury shares within six (6) months from the day the aforesaid limit is first exceeded or such further period as may be permitted by the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**").

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares and any purported exercise of such a right is void. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distributions of assets to members on a winding up) may be made to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Furthermore, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number (as the case may be) is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time (but subject to the Take-over Code):

(i) sell the treasury shares (or any of them) for cash;

(ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to an employees' share scheme;

(iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the treasury shares (or any of them); or

(v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Pursuant to Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as:

i. the date of the sale, transfer, cancellation and/or use of such treasury shares;

ii. the purpose of such sale, transfer, cancellation and/or use of such treasury shares;

iii. the number of treasury shares which have been sold, transferred, cancelled and/or used;

iv. the number of treasury shares before and after such sale, transfer, cancellation and/or use;

v. the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use; and

vi. the value of the treasury shares if they are used for a sale or transfer, or cancelled.

Shares purchased or acquired under the Share Buy-back Mandate will be held as treasury shares or cancelled by the Company taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time.

As at the Latest Practicable Date, the Company has no treasury shares. Where Shares purchased or acquired pursuant to the Share buy-back Mandate are held as treasury shares, the numbers of such Shares to be held as treasury shares, when aggregated with the existing treasury shares held, shall not, subject to the Companies Act, exceed the Treasury Shares Limit at any time.

2.6 **Financial Effects of the Share Buy-back Mandate**

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buy-back Mandate on the EPS and NAV per Share of the Company and the Group as the resultant effect would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund such purchases or acquisitions, whether the purchase or acquisition is made out of capital or profits, and whether the Shares purchased or acquired are held in treasury or cancelled.

The repurchased Shares may be cancelled or held as treasury shares. Any Share Buy-back will:

(a) reduce the amount of the Company's share capital where the Shares were purchased or acquired out of the capital of the Company;

(b) reduce the amount of the Company's profits where the Shares were purchased or acquired out of the profits of the Company; or

(c) reduce the amount of the Company's share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for such Shares.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of distributable profits, such consideration (including costs incidental to the purchase or acquisition) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced. The NAV of the Company and the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

The Directors do not propose to exercise the Share Buy-back Mandate to such an extent that it would have a material adverse effect on the liquidity, working capital and overall financial position of the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The Share Buy-back Mandate will be exercised with a view to enhancing the EPS and/or the NAV per Share of the Group.

The financial effects presented below are based on the following assumptions:

(a) Information as at the Latest Practicable Date

As at the Latest Practicable Date, the Company has 224,000,000 issued Shares (excluding treasury shares and subsidiary holdings).

(b) Illustrative Financial Effects:

Purely for illustrative purposes, on the basis of 224,000,000 Shares in issue as at the Latest Practicable Date (the Company has no treasury shares and no subsidiary holdings) and having taken into consideration the Group's financial position as at 30 September 2024, the purchase or acquisition by the Company of 10% of its Shares will result in the purchase or acquisition of 22,400,000 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 22,400,000 Shares at the Maximum Price of S$0.060 for one (1) Share (being the price equivalent to 105.0% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition 22,400,000 Shares (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) is approximately S$1.35 million;

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 22,400,000 Shares at the Maximum Price of S$0.069 for one (1) Share (being the price equivalent to 120.0% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 22,400,000 Shares (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) is approximately S$1.55 million;

For illustrative purposes only and on the basis of the assumptions set out above as well as the following:

(i) The Share Buy-back Mandate had been effective on 1 October 2023; and

(ii) Such Share purchases or acquisitions are funded solely by internal resources,

the financial effects of the Share Buy-back on the audited consolidated financial results of the Company and the Group for the financial year ended 30 September 2024 ("**FY2024**"), are set out below:

(1) Market Purchases made entirely out of capital and held as treasury shares

	Group		Company	
	Before Share Buy-back	**After Share Buy-back**	**Before Share Buy-back**	**After Share Buy-back**
As at 30 September 2024				
Share capital (S$'000)	7,485	7,485	7,485	7,485
Shares held in treasury (S$'000)	–	(1,355)	–	(1,355)
Shareholders' equity (S$'000)	8,904	7,549	11.189	9,834
NAV(S$'000)	7,640	6,285	11,189	9,834
Current assets (S$'000)	10,387	9,032	7,158	5,803
Current liabilities (S$'000)	4,268	4,268	209	209
Working capital (S$'000)	6,119	4,764	6,949	5,594
Total borrowings (S$'000)	n.m.	n.m.	n.m.	n.m.
Cash and cash equivalents (S$'000)	4,302	2,947	2,074	719
Net profit / (loss) attributable to Shareholders (S$'000)	(2,532)	(2,532)	(490)	(490)
Number of Shares(1) (excluding treasury shares) ('000)	224,000	201,600	224,000	201,600
Number of treasury shares ('000)	–	22,400	–	22,400
Weighted average number of shares ('000)	224,000	201,600	224,000	201,600
Financial Ratios				
NAV per Share (cents)(2)	3.41	3.12	5.00	4.88
Basic EPS / (LPS) (cents)(3)	(1.13)	(1.26)	(0.22)	(0.24)
Gearing (%)(4)	n.m.	n.m.	n.m.	n.m.
Current Ratio (times)(5)	2.43	2.12	34.25	27.77

Notes:

(1) Number of Shares excludes Shares that have been assumed to be held as treasury shares.

(2) NAV per Share has been computed based on NAV divided by the number of Shares in issue as at 30 September 2024.

(3) EPS has been computed based on FY2023 net profit attributable to shareholders divided by the weighted average number of Shares in issue.

(4) The gearing ratio is calculated as the net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

(5) Current ratio represents the ratio of current assets to current liabilities.

(6) "n.m." means not meaningful

(2) Market Purchases made entirely out of capital and cancelled

	Group		Company	
	Before Share Buy-back	After Share Buy-back	Before Share Buy-back	After Share Buy-back
As at 30 September 2024				
Share capital (S$'000)	7,485	6,130	7,485	6,130
Shares held in treasury (S$'000)	–	–	–	–
Shareholders' equity (S$'000)	8,904	7,549	11,189	9,834
NAV (S$'000)	7,640	6,285	11,189	9,834
Current assets (S$'000)	10,387	9,032	7,158	5,803
Current liabilities (S$'000)	4,268	4,268	209	209
Working capital (S$'000)	6,119	4,764	6,949	5,594
Total borrowings (S$'000)	n.m.	n.m.	n.m.	n.m.
Cash and cash equivalents (S$'000)	4,302	2,947	2,074	719
Net profit / (loss) attributable to Shareholders (S$'000)	(2,532)	(2,532)	(490)	(490)
Number of Shares[1] (excluding treasury shares) ('000)	224,000	201,600	224,000	201,600
Number of treasury shares ('000)	–	–	–	–
Weighted average number of shares ('000)	224,000	201,600	224,000	201,600
Financial Ratios				
NAV per Share (cents)[2]	3.41	3.12	5.00	4.88
Basic EPS / (LPS) (cents)[3]	(1.13)	(1.26)	(0.22)	(0.24)
Gearing (%)[4]	n.m.	n.m.	n.m.	n.m.
Current Ratio (times)[5]	2.43	2.12	34.25	27.77

Notes:

(1) Number of Shares excludes Shares that have been assumed to be held as treasury shares.

(2) NAV per Share has been computed based on NAV divided by the number of Shares in issue as at 30 September 2024.

(3) EPS has been computed based on FY2024 net profit attributable to shareholders divided by the weighted average number of Shares in issue.

(4) The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

(5) Current ratio represents the ratio of current assets to current liabilities.

(6) "n.m." means not meaningful.

(3) Off-Market Purchases made entirely out of capital and held as treasury shares

	Group		Company	
	Before Share Buy-back	**After Share Buy-back**	**Before Share Buy-back**	**After Share Buy-back**
As at 30 September 2024				
Share capital (S$'000)	7,485	7,485	7,485	7,485
Shares held in treasury (S$'000)	–	(1,548)	–	(1,548)
Shareholders' equity (S$'000)	8,904	7,356	11,189	9,641
NAV (S$'000)	7,640	6,092	11,189	9,641
Current assets (S$'000)	10,387	8,839	7,158	5,610
Current liabilities (S$'000)	4,268	4,268	209	209
Working capital (S$'000)	6,119	4,571	6,949	5,401
Total borrowings (S$'000)	n.m.	n.m.	n.m.	n.m.
Cash and cash equivalents (S$'000)	4,302	2,754	2,074	526
Net profit / (loss) attributable to Shareholders (S$'000)	(2,532)	(2,532)	(490)	(490)
Number of Shares[(1)] (excluding treasury shares) ('000)	224,000	201,600	224,000	201,600
Number of treasury shares ('000)	–	22,400	–	22,400
Weighted average number of shares ('000)	224,000	201,600	224,000	201,600
Financial Ratios				
NAV per Share (cents)[(2)]	3.41	3.02	5.00	4.78
Basic EPS / (LPS) (cents)[(3)]	(1.13)	(1.26)	(0.22)	(0.24)
Gearing (%)[(4)]	n.m.	n.m.	n.m.	n.m.
Current Ratio (times)[(5)]	2.43	2.07	34.25	26.84

Notes:

(1) Number of Shares excludes Shares that have been assumed to be held as treasury share.

(2) NAV per Share has been computed based on NAV divided by the number of Shares in issue as at 30 September 2024.

(3) EPS has been computed based on FY2024 net profit attributable to shareholders divided by the weighted average number of Shares in issue.

(4) The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

(5) Current ratio represents the ratio of current assets to current liabilities.

(6) "n.m." means not meaningful.

(4) Off-Market Purchases made entirely out of capital and cancelled

	Group		Company	
	Before Share Buy-back	**After Share Buy-back**	**Before Share Buy-back**	**After Share Buy-back**
As at 30 September 2024				
Share capital (S$'000)	7,485	5,937	7,485	9,033
Shares held in treasury (S$'000)	–	–	–	–
Shareholders' equity (S$'000)	8,904	7,356	11,189	9,641
NAV (S$'000)	7,640	6,092	11,189	9,641
Current assets (S$'000)	10,387	8,839	7,158	5,610
Current liabilities (S$'000)	4,268	4,268	209	209
Working capital (S$'000)	6,119	4,571	6,949	5,401
Total borrowings (S$'000)	n.m.	n.m.	n.m.	n.m.
Cash and cash equivalents (S$'000)	4,302	2,754	2,074	526
Net profit / (loss) attributable to Shareholders (S$'000)	(2,532)	(2,532)	(490)	(490)
Number of Shares[1] (excluding treasury shares) ('000)	224,000	201,600	224,000	201,600
Number of treasury shares ('000)	–	–	–	–
Weighted average number of shares ('000)	224,000	201,600	224,000	201,600
Financial Ratios				
NAV per Share (cents)[2]	3.41	3.02	5.00	4.78
Basic EPS / (LPS) (cents)[3]	(1.13)	(1.26)	(0.22)	(0.24)
Gearing (%)[4]	n.m.	n.m.	n.m.	n.m.
Current Ratio (times)[5]	2.43	2.07	34.25	26.84

Notes:

(1) Number of Shares excludes Shares that have been assumed to be held as treasury shares.

(2) NAV per Share has been computed based on NAV divided by the number of Shares in issue as at 30 September 2024.

(3) EPS has been computed based on FY2024 net profit attributable to shareholders divided by the weighted average number of Shares in issue.

(4) The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

(5) Current ratio represents the ratio of current assets to current liabilities.

(6) "n.m." means not meaningful.

Shareholders should note that the financial effects illustrated above are based on certain assumptions ad purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited financial statements of the Company and the Group for FY2024, and is not necessarily representative of the future financial performance of the Company or the Group.

The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share purchase or acquisition before execution. Although the Share Buy-back Mandate would authorise the Company to purchase up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of its issued Shares. In addition, the Company may cancel all or part of the Shares purchased or acquired or hold all or part of the Shares purchased or acquired in treasury.

2.7 **<u>Take-over implications under the Singapore Code on Take-overs and Mergers</u>**

Appendix 2 of the Take-over Code contains the Share Buy-back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.7.1 <u>Obligations to make a Take-over Offer</u>

Pursuant to the Take-over Code, if, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**"). Under Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, inter alia, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% in any period of six months.

Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make a mandatory take-over offer under Rule 14, unless the conditions for exemption pursuant to paragraph 3(a) of Appendix 2 of the Take-over Code are satisfied.

2.7.2 <u>Persons acting in concert</u>

Under the Take-over Code, persons acting in concert (the "**concert parties**") comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of the company.

Unless the contrary is established, the Take-over Code presumes, inter alia, the following individuals and companies to be persons acting in concert with each other:

(a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;

(b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser, and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;

(f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

(h) an individual, his close relatives, his related trusts, any person who is accustomed to act in accordance to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders (including Directors) and persons acting in concert with each of them, will incur an obligation to make a mandatory take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.7.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted pursuant to paragraph 3(a) of Appendix 2 of the Take-over Code, a Director and his concert parties will incur an obligation to make a mandatory take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Director and his concert parties would increase to 30% or more, or in the event that such Director and his concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Director and his concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Shareholder and his concert parties, treasury shares shall be excluded.

Shareholders will be subject to the provisions of Rule 14 if they acquire voting shares after the Company's Share Buy-back. For this purpose, an increase in the percentage of voting rights as a result of the share Buy-back will be taken into account in determining whether a shareholder and persons acting in concert with him have increased their voting rights by more than 1% in any period of 6 months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a mandatory take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the proposed renewal of the Share Buy-back Mandate.

Based on the information in the Company's register of members as at the Latest Practicable Date, none of the Directors or Substantial Shareholders are obliged to make a mandatory take-over offer under Rule 14 as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buy-back Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Singapore Securities Industry Council and/ or their professional advisers at the earliest opportunity.

2.8 **Tax Implications**

Shareholders who are in doubt as to their respective tax positions or the tax implications of purchase or acquisition of Shares by the Company or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

2.9 **Catalist Rules**

2.9.1 As at the Latest Practicable Date, approximately 158,815,500 Shares, representing 70.90% of the total Shares in issue (excluding treasury shares and subsidiary holdings) are held in the hands of Public Shareholders. The "public", as defined under the Catalist Rules, are persons other than the Directors, Substantial Shareholders, chief executive officers or Controlling Shareholders of the Company and its subsidiaries, as well as associates of such persons. For illustrative purposes only, assuming the Company exercises the Share Buy-back Mandate in full and purchases 10% of the total number of issued Shares through Market Purchases from the public, the public float would be reduced to approximately 136,415,500 Shares, representing approximately 67.67% of the total number of issued Shares.

Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buy-back Mandate without adversely affecting the listing status of the Shares on Catalist, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to adversely affect orderly trading. The Company does not have any individual shareholding limit or foreign shareholding limit.

2.9.2 Under the Catalist Rules, a listed company may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average closing market price. The term average closing market price is defined as the average of the closing market prices of a share over the last five Market Days on which transactions in the shares were recorded, before the day on which purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in paragraph 2.1 of this Addendum, conforms to this restriction.

2.9.3 While the Catalist Rules do not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time, because the listed company would be regarded as an "insider" in relation would be regarded as an "insider" in relation to any purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Further, in line with the best practices on dealing with securities stipulated in the Catalist Rules, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period commencing one month immediately preceding the announcement of the Company's interim (half-year) results or the annual (full-year) results.

2.10 **Reporting requirements**

2.10.1 Notification to the ACRA

Within 30 days of the passing of the Shareholders' resolution to approve the proposed renewal of the Share Buy-back Mandate, the Company will lodge a copy of such resolution with ACRA.

The Company will also lodge with ACRA a notice of purchase or acquisition of Shares within 30 days of such purchase or acquisition. Such notification shall include the date of purchase or acquisition, the number of Shares purchased or acquired, the number of Shares cancelled or held as treasury shares, the Company's issued share capital before and after the purchase or acquisition, the amount of consideration paid for the purchase or acquisition and whether such consideration is paid out of profits or capital of the Company, and such other information as may be prescribed from time to time.

In addition, within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Company will lodge with ACRA a notice of cancellation or disposal of treasury shares with such information as may be prescribed from time to time.

2.10.2 Notification to the SGX-ST

Rule 871 of the Catalist Rules specifies that a listed company must make an announcement on SGXNet of all purchases or acquisitions of its shares no later than 9.00 a.m.:

(a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made, and

(b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer.

Such announcement shall include details of the total number of Shares authorised for purchase or acquisition, the date of purchase or acquisition, the total number of Shares purchased or acquired, the purchase price per Share or (in the case of Market Purchases) the purchase price per Share or the highest price and lowest price per Share, the total consideration paid for the Shares, the number of issued Shares after purchase or acquisition and such other information as may be prescribed under the Catalist Rules from time to time.

In addition, under the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include the date of usage, the purpose of usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued Shares before and after the usage, the value of the treasury shares comprised in the usage and such other information as may be prescribed under the Catalist Rules from time to time.

2.11 **Details of the Shares Bought by the Company in the previous 12 months**

The Company has not made any purchases or acquisitions of its Shares (via Market Purchases or Off-Market Purchases) during the 12-month period immediately preceding the Latest Practicable Date.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and the substantial shareholders of the Company in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		**Deemed Interest**	
	Number of Shares	**%(1)**	**Number of Shares**	**%(1)**
Directors				
Tang Hee Sung	47,000,000	**20.98**	–	–
Lee Pei Fang (Gina)	996,000	**0.44**	–	–
Aw Eng Hai	–	–	–	–
Cheam Heng Haw, Howard	–	–	–	–
Doreen Yew Lai Leng	–	–	–	–
Substantial Shareholders				
Han Ming Kwang	17,188,500	**7.67**	–	–

Note:

(1) Based on the total share capital of the Company of 224,000,000 Shares, as at the Latest Practicable Date.

Save for their respective shareholding interests in the Company, none of the Directors and to the best of the Directors' knowledge, none of the Substantial Shareholders has any direct or indirect interest in the proposed renewal of the Share Buy-back Mandate.

4. **APPROVAL AND RESOLUTION**

Shareholders' approval for the proposed renewal of the Share Buy-back Mandate will be sought at the AGM. The resolution relating to the proposed renewal of the Share Buy- back Mandate is contained in the Notice of AGM as Ordinary Resolution 9.

5. **DIRECTORS' RECOMMENDATION**

After having considered the rationale and the information relating to the proposed renewal of the Share Buy-back Mandate, the Directors are of the opinion that the proposed renewal of the Share Buy-back Mandate is in the best interests of the Company, and accordingly, recommend that Shareholders vote in favour of the Ordinary Resolution 9 in respect of the proposed renewal of the Share Buy-back Mandate as set out in the notice of AGM.

6. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy-back Mandate and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where information in this Addendum has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Addendum in its proper form and context.

7. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection at the registered office of the Company at 86 International Road, Singapore 629176, during normal business hours from the date of this Addendum up to and including the date of the AGM:

(a) the Company's Constitution; and

(b) the Annual Report of the Company for FY2024.

Yours faithfully
For and on behalf of the Board of Directors of
GDS GLOBAL LIMITED

LEE PEI FANG (GINA)
EXECUTIVE DIRECTOR

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IMPORTANT:
1. A relevant intermediary may appoint more than two (2) proxies to attend the AGM and vote (please see Note 3 for the definition of "**Relevant Intermediary**").
2. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF Investors and SRS Investors shall be precluded from attending the AGM.
3. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

GDS GLOBAL LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No: 201217895H

PROXY FORM

*I/We ______________________________ NRIC/Passport/Co. Registration No. ____________

of ____ (Address)
being *a member/members of **GDS GLOBAL LIMITED** hereby appoint

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**(%)**
Address			

*and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**(%)**
Address			

or failing the person, or either or both of the persons referred to above, the Chairman of the Annual General Meeting ("**AGM**") as *my/our *proxy/proxies to attend, speak or vote on *my/our behalf at the AGM of the Company to be held at 86 International Road, Singapore 629176, on Wednesday, 22 January 2025 at 10.00 a.m. and at any adjournment thereof.

*I/We have directed *my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the *proxy/proxies may vote or abstain from voting at *his/their discretion, as *he/they will on any other matters arising at the AGM and/or at any adjournment thereof.

Voting would be conducted by poll. Please indicate your vote "For" or "Against" with a tick [√] within the box provided.

No.	**Resolutions Relating To:**	**For**	**Against**	**Abstain**
AS ORDINARY BUSINESS				
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 30 September 2024			
2	Approval of Directors' fees for the financial year ending 30 September 2025			
3	Re-election of Ms Lee Pei Fang (Gina) as a Director			
4	Re-election of Ms Doreen Yew Lai Leng as a Director			
5	Re-appointment of Deloitte & Touche LLP as Auditors			
AS SPECIAL BUSINESS				
6	Authority to issue new shares			
7	Authority to allot and issue shares pursuant to the GDS ESOS			
8	Authority to allot and issue shares pursuant to the GDS PSP			
9	Renewal of the Share Buy-back Mandate			

*Delete where applicable

Dated this ________ day of ____________________ 2025

Total Number of Shares Held

____
Signature(s) of Member(s) or
Common Seal of Corporate Member

IMPORTANT
PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

   Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

3. For any member who acts as a Relevant Intermediary pursuant to Section 181 of the Companies Act 1967, who is either:

   a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   b) a person holding a capital markets services licence to provide under the Securities and Futures Act 2001 and who holds shares in that capacity; and

   c) Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

   A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   The proxy need not be a member of the Company. Please note that if any of your shareholdings are not specified in the list provided by the intermediary to the Company, the Company may have the sole discretion to disallow the said participation of the said proxy at the forthcoming AGM.

   A member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory.

4. The Proxy Form must be submitted to in the following manner:

   (a) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at **srs.proxy@boardroomlimited.com**; or

   (b) if submitted by post, be lodged at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632

   in either case, by **19 January 2025, 10.00 a.m.**, being no later than seventy-two (72) hours before the time fixed for the AGM. A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before sending it by email to the email address provided above.

5. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. 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 instrument appointing a proxy(ies) to the AGM.

6. The Proxy Form must be signed by the appointer or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967.

General:

The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in the case of members whose shares are entered in the Depository Register, the Company shall be entitled to reject any instrument of proxy lodged if the member, being the appointer, is not shown to have any shares entered against his name in the Depository Register as at 72 hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 3 January 2025.