



ACESIAN PARTNERS LIMITED

ANNUAL REPORT 2024

PUSHING BOUNDARIES

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The contact person for the Sponsor is Mr. Liau H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271

CORPORATE PROFILE

Founded in Singapore in 1998, Acesian Partners Limited ("Acesian" or the "Company"), is a multi-disciplinary group serving as a one-stop provider of environmental solutions and integrated services to diverse industries including the semiconductor, healthcare, electric vehicles battery, wastewater treatment, chemical, pharmaceutical and biotechnological industries. The Company was successfully listed on the SGX Sesdaq (now known as Catalyst) in February 2005.

Through long-term collaboration with our key global partners in experience and technology sharing, Acesian has successfully established itself as the leading manufacturer of specialized ductwork in the Southeast Asian market. Our products include Ethylene Tetrafluoroethylene ("ETFE")-coated stainless steel ducts, uncoated welded stainless steel ducts, and other specialized exhaust system components.

Acesian's products comply with the most stringent industrial standards and requirements for semiconductor applications. Our brand, "CMT", for ETFE-coated stainless steel ductwork is Factory Mutual ("FM") certified, fully complying with FM 4910 – materials used in cleanrooms and FM 4922 – fume exhaust ducts or fume and smoke exhaust ducts. The coating for "CMT" is tested and certified for compliance with ASTM E-84 Class A material standards, ensuring low flame spread and low smoke development, significantly reducing fire hazards for end users. Acesian's entire range of ductwork and accessories is manufactured to a duct metal thickness and reinforcing system in accordance with SMACNA guidelines.

Being FM certified, our ductwork is designed for fume and smoke removal and is highly corrosion-resistant against both flammable and non-flammable corrosive/toxic fumes in exhaust systems. Acesian remains at the cutting edge of new technology, providing the best solutions that meet the increasing demands and expectations of our clients in SE Asia, India, the EU and the USA.

At the heart of our corporate philosophy lies an unwavering commitment to innovation and sustainability. We continually invest in cutting-edge technologies and best practices to enhance product performance, operational efficiency, and environmental compatibility. Our high-quality stainless-steel ductwork and accessories are engineered to deliver reliability, durability, and long-term value.

Our high-quality stainless-steel ductwork and accessories are also ideal for less corrosive applications, such as heating, ventilation, and air-conditioning systems for commercial and industrial buildings dedicated to mission-critical operation, such as data centres.

LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS

The Group's business slowed down in Financial Year 2024 ("FY2024") but managed to remain profitable, although its profitability was significantly lower compared to the past three years. In the current financial year, market activities in the semiconductor industry have been sluggish. This was partly due to lukewarm general market conditions, as well as intensified trade tensions and a volatile political landscape, all of which had had a significant global impact on the semiconductor industry. The tariff threats and tit-for-tat trade measures have disrupted global trade, leaving companies to weigh their next moves. Decision-making has become more challenging on many fronts, as the stakes are high. In response, most chipmakers have adopted a cautious, wait-and-see approach. As a result, the construction sector within the semiconductor industry has been relatively quiet, negatively impacting the Group's business and leading to a significant drop in revenue. The trade tensions have also led some duct manufacturers to set up new factories in the Southeast Asia region, partly to avoid and manage trade restrictions. Despite the market turbulence, we remain on course, pursuing our goals, building sound business fundamentals, and investing in talent and technology. We remain optimistic about long-term market prospects, despite ongoing instability.

Last year was filled with eventful activities, and most of these efforts were aimed at transforming our business and organisation in order to scale greater heights. With the dedication of our new management members and the infusion of novel ideas, we spared no effort, intensifying our previous initiatives and achieving breakthroughs by further elevating operational productivity and delivering high-quality products. We firmly believe that quality is a never-ending journey, which motivates us to pursue excellence in both production and product quality. All the initiatives, efforts, and investments in new production facilities - such as new machines, 3D scanners, and QR systems, which were rolled out last year - have driven our production capabilities to new milestones on various fronts. Additionally, the IT infrastructure was upgraded as part of the business integration process. Overall, these innovative efforts are designed to ensure that our business stays relevant, remains ahead of the game, and is prepared for any market upswing at a moment's notice.



Despite the market turbulence, we remain on course, pursuing our goals, building sound business fundamentals, and investing in talent and technology.



FINANCIAL PERFORMANCE

Despite the volatile business landscape, the Group managed to remain profitable. While business volume dropped significantly, the Group did not undertake a right-sizing exercise. As part of its organic business expansion and talent development, production capacity, workforce, and resources were retained, and operations were strengthened in preparation for future projects and business opportunities.

The operational earnings dropped, with net profit after tax decreasing by 85.7%, from \$3.55 million in Financial Year 2023 ("FY2023") (before other gains from deconsolidation and accounts payables written back, totaling \$4.01 million) to \$0.51 million in FY2024. This decline was primarily driven by lower revenue and costs related to the retention of production capacity. Revenue totaled \$7.84 million, a decrease of \$7.95 million or 50.4% from \$15.79 million in FY2023. However, the reduction in administrative and other operating expenses helped mitigate the impact on profit. Administrative expenses decreased by 28.4%, or \$1.05 million, from \$3.71 million in FY2023 to \$2.66 million in FY2024, mainly due to lower employee performance bonus expenses. Other operating expenses decreased by \$0.37 million, or 32.8%, from \$1.12 million in FY2023 to \$0.75 million in FY2024.

LETTER TO SHAREHOLDERS

The cash and cash equivalents stood at \$18.39 million, a slight decrease of \$0.85 million. The bulk of the cash, amounting to \$16.40 million, is placed in fixed deposits, which generated interest income of \$0.57 million, compared to \$0.60 million in the prior year. The buybacks of the company's shares amounted to \$0.26 million. The Group will continue its prudent approach to cash and credit management.

MARKET TRENDS, COMPETITIVE LANDSCAPE AND BUILDING A SUSTAINABLE BUSINESS

The semiconductor sector is expected to maintain its momentum in the coming years. Artificial Intelligence ("AI") has emerged as a key technological trend, acting as a catalyst for the semiconductor industry. The growing shift in technological demand, driven by investments in technology, is poised to fuel further growth in the sector. Additionally, the rising global consumption of consumer electronics supports market expansion. Several countries, including Singapore and Malaysia, are working to attract more major chipmakers and capitalise on the AI wave.

On the other hand, geopolitical factors contribute to the dynamism and volatility of the semiconductor industry. The market's fundamental order has been disrupted, and the unpredictable nature of conflicts has given rise to significant business risks. Ongoing trade tensions, particularly between major economies, could substantially impact the industry, with chipmakers potentially seeking alternative supply sources or shifting production capacities to other regions. This uncertainty makes predictions inherently difficult. Geopolitics is now increasingly shaping how companies do business.

We recognise the shift in the market environment and its dynamism, which require changes and adjustments to our organisation and business management approach. We focused on making internal changes rather than dwelling on the macro environment (which is beyond our control). As part of our talent-building efforts, we have brought in new management team members who bring fresh ideas, business vibrancy, contacts, and networks. These initiatives help us to develop the business, expand internationally, and diversify our product offerings across various industries, while also strengthening our business management,

marketing, and customer relationships. We have hired skilled employees from diverse fields to continue building a knowledge-based company. Organisational processes across different business units and functions have been integrated and harmonised as part of our readiness to undertake greenfield projects and prepare for the future through investments in capability building. The product development and operational process revamp, along with our ESG efforts and commitment, allow us to offer more environmentally friendly and value-for-money coated ducts and related products, helping us fend off competition.

The competition within the Southeast Asia region has intensified, prompting us to adopt a proactive business approach and mindset, focusing not only on quality and product excellence but also on strategic innovation. We are transitioning from being merely a product manufacturer and seller to a provider of solutions and technologies. Additionally, we have begun exploring new ventures in untapped areas to expand our business, and these developments require persistence, discipline, and long-term commitment.

EXTENDING APPRECIATION

The concerted effort exhibited by our employees and their loyalty are deeply appreciated, and we would like to thank them on behalf of the Board. We also wish to express our gratitude to our customers, suppliers, shareholders, and other stakeholders for their cooperation, honest engagement, valuable information sharing, and business insights. Most importantly, we are grateful for their trust in us and their continuing decision to choose us as their business partners.

LOH YIH

Managing Director



BOARD OF DIRECTORS

MR. LOH YIH

Executive Director & Managing Director

Mr. Loh Yih joined the Group in September 2013. He is the Managing Director and is responsible for the overall management and performance of the Group. He is also the Managing Partner of MGF Management Pte Ltd, which was an exempt fund management company that focuses primarily on China Private Equity Investment. In 2005, he invested in Netplus Communication Pte Ltd, an internet service provider in Singapore. He took over as Managing Director from 2005, restructuring and turning the company around before selling the entity to MediaRing, a listed company in 2006. He has a professional background in financial services. He has held positions in merchant banking with Standard Chartered Merchant Bank Asia Ltd and West Merchant Bank and in audit with Ernst & Young LLP. He also holds directorships in other non-listed entities.

Mr. Loh graduated with a Bachelor's Degree in Accountancy (Honours) from National University of Singapore in 1988.

MR. NEO GIM KIONG

Non-Executive Chairman &
Lead Independent Non-Executive Director

Mr. Neo Gim Kiong was appointed as the Company's Lead Independent Non-Executive Director on 2 August 2018 and as the Board Chairman on 17 August 2018. He is the Chairman of the Audit Committee and Nominating Committee and member of the Remuneration Committee. He is the Founding Director of Dollar Tree Inc Pte Ltd, a business advisory company incorporated in Singapore in 2004. He is also an independent director of Asia Enterprises Holdings Limited and Ban Leong Technologies Limited and holds directorships in other non-listed entities.

Mr. Neo graduated with a Bachelor of Science Degree in Mathematics (Honours) from National University of Singapore in 1993.

MR. QUEK POK YEOW, STEPHEN

Independent Non-Executive Director
(Appointed with effect from 5 July 2024)

Mr. Quek Pok Yeow, Stephen was appointed as the Company's Independent Non-Executive Director on 5 July 2024. He is the Chairman of the Remuneration Committee, and a member of the Audit Committee and the Nominating Committee. Mr. Quek is the Director of Metro Transit Solutions Pte Ltd, a railway audit and certification company incorporated in Singapore in 2013. He is also an independent director of Giti Tire Corporation, a Shanghai listed company and holds directorships in other non-listed entities.

Mr. Quek graduated with a Bachelor's Degree in Banking and Finance (Honours) from University of London, UK in 2003.

MR. HO TA-HUANG

Non-Independent Non-Executive Director

Mr. Ho Ta-Huang is the founder and Chairman of Chern Dar Enterprise Company Limited, a business partner of Acesian Group, which is based in Taiwan. He is a member of the Audit Committee, the Nominating Committee and the Remuneration Committee. Mr. Ho has over 40 years of experience in the business of manufacturing and installation of stainless steel and galvanised steel ductworks in Taiwan.

Mr. Ho is the honorary Chairman of the Taiwan Hardware Association and an inspector with the Taiwan Ventilation Equipment Association.

MR. LOW KA CHOON KEVIN

Independent Non-Executive Director
(Retired with effect from 25 April 2024)

Mr. Low Ka Choon Kevin was appointed on 7 May 2021 as an Independent Non-Executive Director. He was the Chairman of the Remuneration Committee, and a member of the Audit Committee and the Nominating Committee. Mr. Low is the Chief Executive Officer of IPSCOM Pte Ltd ("**IPSCOM**") which was renamed from International Press Softcom Ltd, a company listed on SGX-Catalist that was privatized and delisted in April 2021 through a restructuring exercise. His key responsibilities in IPSCOM include managing its overall operations, driving profitability, and also strategizing new business directions and investments for the company.

Mr. Low graduated with a Bachelor of Laws (Honours) from National University of Singapore in 1991. He was called to the Singapore bar in 1992.

SENIOR MANAGEMENT

MR. LAI CHI WAN, SAMUEL
General Manager

Mr. Lai Chi Wan, Samuel, was appointed as our General Manager on 6 February 2024. He is responsible for overseeing the overall business direction, sales and operation of the Group.

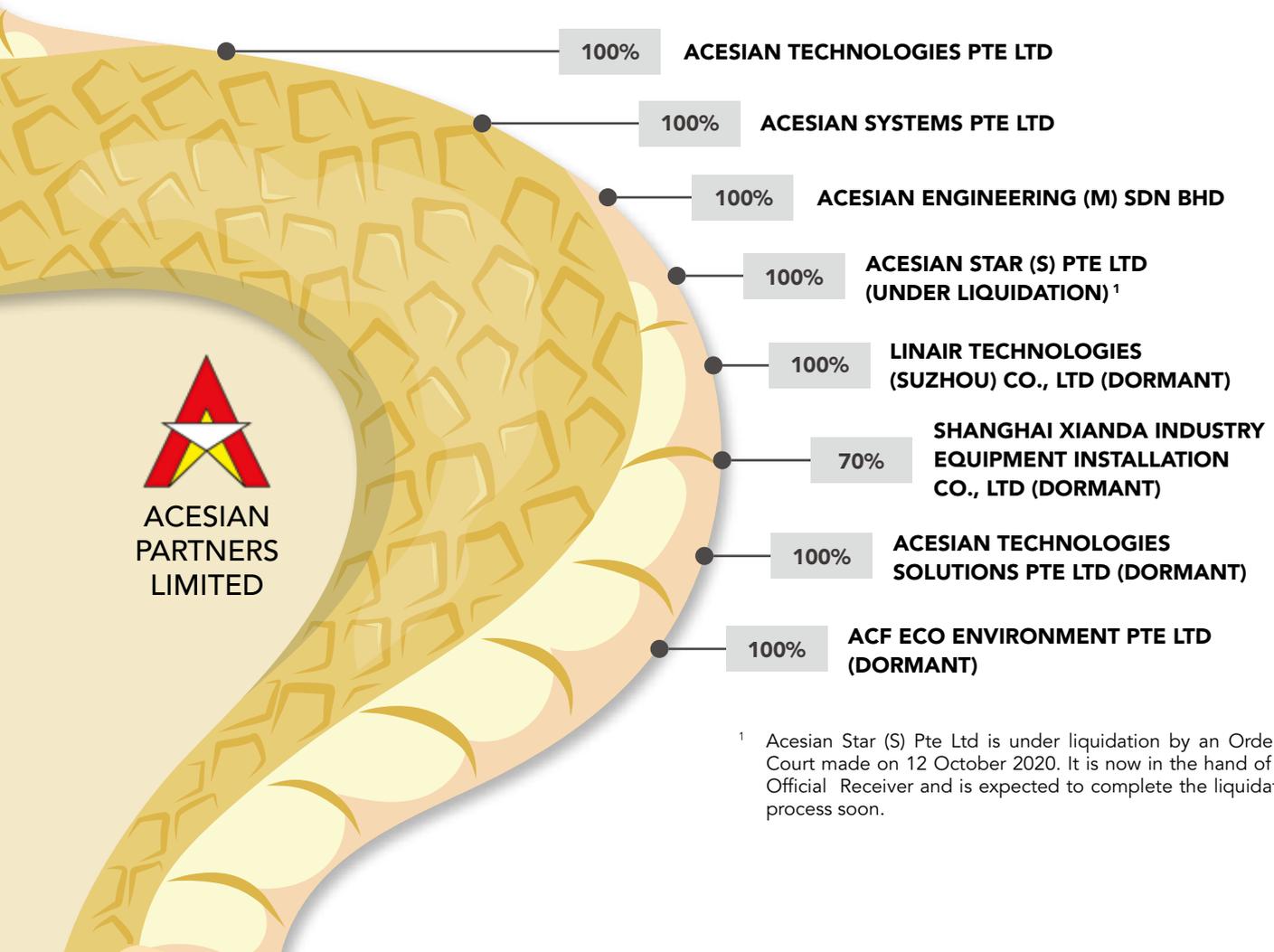
Mr. Lai graduated with a Bachelor of Engineering Degree in Chemical Engineering from Hong Kong University Of Science And Technology in 1996 and he has over 27 years of engineering, project and business operation management experience in semiconductor, pharmaceutical, environmental and specialty chemical industries.

MR. CHOO WAI LEONG, IVAN
Deputy Chief Financial Officer

Mr. Choo Wai Leong, Ivan, was appointed as our Group Financial Controller on 28 August 2018 and was redesignated as Deputy Chief Financial Officer in March 2020. He is responsible for overseeing the Group's financial operations, accounting, taxation, and regulatory compliance functions.

Mr. Choo has more than 24 years of experience in finance and accounting across various industries and has held several senior financial roles covering financial accounting, cost and management accounting, taxation, and internal control. Mr. Choo is a fellow member of The Association of Chartered Certified Accountants ("ACCA"), UK, and a Chartered Accountant of the Institute of Singapore Chartered Accounts ("ISCA").

CORPORATE STRUCTURE



¹ Acesian Star (S) Pte Ltd is under liquidation by an Order of Court made on 12 October 2020. It is now in the hand of the Official Receiver and is expected to complete the liquidation process soon.

CORPORATE INFORMATION

COMPANY REGISTRATION NUMBER

199505699D

REGISTERED OFFICE

33 Mactaggart Road
#04-00 Lee Kay Huan Building
Singapore 368082
Tel: (65) 6757 5310
Facsimile: (65) 6757 5319
Corporate Website: <http://www.acesian.com>

DIRECTORS

Loh Yih

(Executive Director & Managing Director)

Neo Gim Kiong

(Non-Executive Chairman &
Lead Independent Non-Executive Director)

Quek Pok Yeow, Stephen

(Independent Non-Executive Director)
(Appointed on 5 July 2024)

Ho Ta-Huang

(Non-Independent Non-Executive Director)

Low Ka Choon Kevin

(Independent Non-Executive Director)
(Retired with effect from 25 April 2024)

AUDIT COMMITTEE

Neo Gim Kiong (Chairman)
Quek Pok Yeow, Stephen
Ho Ta-Huang

NOMINATING COMMITTEE

Neo Gim Kiong (Chairman)
Quek Pok Yeow, Stephen
Ho Ta-Huang

REMUNERATION COMMITTEE

Quek Pok Yeow, Stephen (Chairman)
Neo Gim Kiong
Ho Ta-Huang

COMPANY SECRETARY

Lim Heng Chong Benny
Jacqueline Anne Low

BANKERS

United Overseas Bank Limited
Maybank Singapore Limited
Standard Chartered Bank (Singapore) Limited

AUDITOR

PKF-CAP LLP
6 Shenton Way #38-01
QUE Downtown 1
Singapore 068809
Partner-In-Charge: Tang Hui Lin
(with effect from financial year 2023)

SHARE REGISTRAR

KCK CorpServe Pte. Ltd.
1 Raffles Place #04-63
One Raffles Place (Tower 2)
Singapore 048616

SPONSOR

Asian Corporate Advisors Pte. Ltd.
160 Robinson Road
#21-05 SBF Center
Singapore 068914



SUSTAINABILITY REPORT 2024

BOARD STATEMENT ON OUR SUSTAINABILITY REPORT ("SR")

Acesian is committed to sustainability, and guided by our vision and values, we have made effort to integrate key Environmental, Social, and Governance ("ESG") principles into our operations. By considering sustainability issues in our strategic formulation, the Board has identified critical ESG factors and oversees their management and monitoring of such factors.

We acknowledge that creating sustainable value for stakeholders is fundamental to our business. This ensures our long-term success and resilience. In addition to pursuing business goals based on sound fundamentals and ethical conduct, Acesian aims for performance with integrity. We adopt a balanced approach that considers business growth, stakeholder needs, governance, environmental impact, and the development and welfare of our people and communities.

We recognize both the risks and opportunities related to climate change for businesses. Over the year, we undertook various programs as part of our initiatives to mitigate carbon emissions, optimize the use of natural resources, and improve air quality. We adopted several technological tools, such as 3D scanners and QR systems, and acquired new, more efficient machines to further enhance the production value chain, improve quality control, increase production yields, and reduce raw material and natural resource consumption. As a result, we made a breakthrough, leading to a notable improvement in both operational productivity and product integrity and excellence. Additionally, we have refined our water treatment and chimney systems, which contribute to better water use and improved air quality. Ultimately, our main goal is to provide our customers with eco-friendly products.

We began developing the TCFD recommendations on climate-related reporting last year and have since conducted further studies to identify carbon emission factors, aiming to reduce our carbon footprint in a more meaningful way. We have also revised our methodology for measuring carbon emissions. We are committed to integrating these measures into our broader sustainability strategy, aiming to mitigate climate-related risks and capitalize on opportunities for sustainable growth.

For and on behalf of the Board,
Loh Yih (Managing Director)



FM APPROVED ETFE COATED STAINLESS STEEL CORROSIVE FUME EXHAUST SYSTEMS

SUSTAINABILITY REPORT 2024

REPORTING SCOPE AND LOCATIONS, BOUNDARIES AND PERIOD

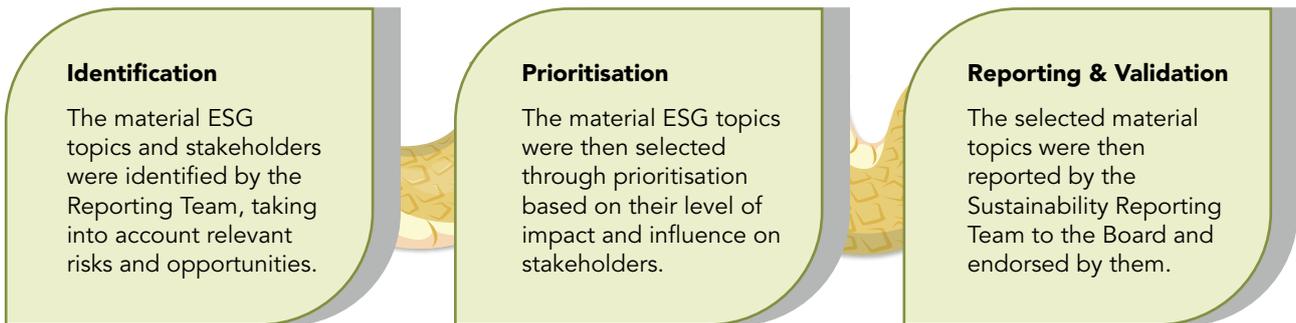
For the purpose of this report, which covers the Financial Year 2024 (“FY2024”), we primarily focus on our business operations in Singapore and Malaysia, as well as on topics that impact business growth and are of utmost importance to our stakeholders. The Sustainability Reporting (“SR”) processes are incorporated into the internal audit plan, with the first SR internal audit review conducted in 2023 by the outsourced internal auditor, Yang Lee & Associates. This review covered the sustainability framework, processes, and gap analysis, and was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

DEFINING OUR MATERIALITY ISSUES AND ASSESSMENT APPROACH

We performed a materiality analysis to identify challenges and topics that are important to our stakeholders and relevant to our business today. This analysis considered the following:

- The influence of stakeholders on the Group, and
- The interest in sustainability topics / dependence on the Group.

Approach to materiality assessment



Material Topics

We focused our sustainability efforts and reporting on these topics. These issues were further deliberated upon and narrowed down through our routine engagement with stakeholders. Senior management then reviewed the list of topics, identifying and prioritisation the material topics based on their importance to our stakeholders and the sustainability impact on our business. We have identified eight ESG topics as material to our business and have outlined how we manage each topic in the relevant sections of this report (as shown in the table below)

ENVIRONMENTAL, HEALTH AND SAFETY	<ol style="list-style-type: none"> Climate Change <ul style="list-style-type: none"> - Energy and Emissions - Water Management Health and Safety
SOCIAL	<ol style="list-style-type: none"> Training and Development Diversity and Equal Opportunities Employee Retention
ECONOMIC AND GOVERNANCE	<ol style="list-style-type: none"> Economic Performance and Contribution to Society Anti-Corruption Legal Compliance and Corporate Governance

SUSTAINABILITY REPORT 2024

Risk management policies and processes

Management regularly reviews the Company's business and operational activities to identify areas of significant business risk, as well as appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights key matters to the Directors and the Audit Committee. With the assistance of the Company's internal audit function and through the Audit Committee, the Board reviews the adequacy and effectiveness of the Company's risk management policies, systems, and key internal controls at least annually. The Board also provides its perspective on management control and ensures that necessary corrective actions are taken in a timely manner.

SUSTAINABILITY REPORTING FRAMEWORK AND GOVERNANCE STRUCTURE

Sustainability Framework

The Global Reporting Initiative ("GRI") Standards 2021 were selected for our sustainability reporting framework, as they are a globally recognised and generally accepted standard for sustainability reporting. They cover the GRI principles for defining report content (including sustainability context, materiality, and stakeholder inclusiveness) and also comply with the Singapore Stock Exchange (the "SGX-ST") "Comply or Explain" requirements for sustainability reporting.

In addition, we have prepared our Climate Reporting in accordance with the TCFD recommendations (Task Force on Climate-related Financial Disclosures) to identify and manage climate risks and opportunities. We began developing GHG emissions (Scope 1 and Scope 2) plans in FY2023 to establish appropriate metrics for our climate reporting in FY2024. We have conducted further studies in 2024 on carbon emissions and revised our methodology for measuring them. The data collected in FY2024 will serve as the baseline.

All directors of the Company have undergone sustainability training, except for one director.

Unless otherwise stated, this report covers the ESG performance of Acesian's main activities in Singapore and Malaysia.

Governance Structure

Board of Directors

- The Board of Directors has overall responsibility for determining the direction of the Group's sustainability strategy.
- The Audit Committee, under the stewardship of the Board, maintains oversight of the processes by which material ESG issues are managed and monitored.
- The Board is periodically apprised of sustainability developments and activities by the Reporting Team.

Sustainability Reporting Team

- We adopted a lean organisational structure, with the Sustainability Reporting Team (chaired by the Managing Director of the Company) forming the core of our sustainability framework. It consists of senior management and representatives from various business functions and departments in Singapore and Malaysia.
- The Team is responsible for developing sustainability objectives and strategies, identifying key focus areas, setting targets, driving execution, and overseeing the reporting, implementation, and monitoring of performance metrics.

SUSTAINABILITY REPORT 2024

STAKEHOLDERS ENGAGEMENT



OUR VALUE

We value input from all our stakeholders and engage with them through a variety of channels. We identify stakeholders as groups that impact, or have the potential to be impacted by, our business. Their key concerns and expectations are outlined in the table below.

Key stakeholder	How we engage with them	Key topics	Our response
GOVERNMENT AND REGULATORS 	<ul style="list-style-type: none"> • SGX Half-Yearly Announcements • Annual Reports • Sustainability Reporting • Ongoing dialogues 	<ul style="list-style-type: none"> • Employment practices • Workplace safety and health • Regulatory compliance • Environmental compliance 	<p>We stay abreast of prevailing rules and legislation through regular trainings, public seminars, and consultations with external professionals.</p>
CUSTOMERS 	<ul style="list-style-type: none"> • Direct engagement, ongoing dialogues and feedback 	<ul style="list-style-type: none"> • Offer premium products / services at competitive pricing • Safe and reliable products • Project timeliness • Customer health and safety 	<p>Our customer engagement includes, among other things, key account and dedicated sales personnel, continuous interaction and dialogues, and follow up on customer feedback.</p>
EMPLOYEES 	<ul style="list-style-type: none"> • Management committee • Open annual performance appraisal system • Training and education opportunities 	<ul style="list-style-type: none"> • Competitive remuneration and benefits • Career development and trainings • Ethics and conduct • Job security 	<p>We maintain open and transparent communication with our employees through various channels, including Group policies, formal appraisals, informal social gatherings, regular business meetings and chat groups.</p>
INVESTORS AND SHAREHOLDERS 	<ul style="list-style-type: none"> • Annual Reports • SGX Half-Yearly Announcements • SGX announcements as required by the Catalist Rules • AGM / EGM 	<ul style="list-style-type: none"> • Financial performance • Corporate governance • Business and growth strategies • Corporate actions undertaken by the Company 	<p>We are committed to embracing and adhering to relevant industry regulations, practices, and guidelines, such as the Singapore Code of Corporate Governance 2018 and the Catalist Rules, to ensure transparency and the timely dissemination of all material information to our investors and shareholders.</p>

SUSTAINABILITY REPORT 2024

Key stakeholder	How we engage with them	Key topics	Our response
SUPPLIERS 	<ul style="list-style-type: none"> Direct engagement, ongoing dialogues and feedback from key suppliers 	<ul style="list-style-type: none"> Product quality assurance Delivery timeliness 	Our supplier engagement includes, among other things, quality control processes and ongoing interaction on issues such as prices, quality, delivery, and supply availability.

ECONOMIC

ECONOMIC PERFORMANCE AND CONTRIBUTION TO SOCIETY

The awareness of stakeholders’ presence is essential, as it is a prerequisite for considering their interests and rights. We will continue to strengthen the financial health of the Group through sustainable growth, building partnerships with our stakeholders, and adopting a balanced approach to risk management. Furthermore, we strive to contribute positively to the welfare of our people and society through our economic presence. In addition, a strong financial position bolsters not only investor confidence but also that of customers and suppliers.

The Group’s revenue decreased 50.4% year-on-year in FY2024 to \$7.84 million, and PATMI decreased by 85.37% year-on-year to \$0.51 million (excluding exceptional non-recurring other income of \$4.01 million in FY2023). The Group has managed to maintain a profitable position despite the challenging market conditions. With its strong financial performance, the Group continued to make a positive contribution to local economies and enhance employee welfare through performance incentives and other staff benefits. For more details on the Group’s financial performance, including business expansion and efforts to build a sustainable business, please refer to the ‘Letter to Shareholders’ by Managing Director.



Target FY2025 (short-, medium- and long-term):

To drive growth and profitability

Note: All targets for medium-term is 3 years and long-term is 5 years unless otherwise stated.

Year (S\$ '000)	FY2024	FY2023
Revenue	7,836	15,789
Profit attributable to shareholders (PATMI) (*excluding exceptional non-recurring other income of S\$4.01 million)	505*	3,453

Year (S\$ '000)	FY2024	FY2023
Net Tangible Assets per Share (cents)	4.82	4.66
Cash and cash equivalents	18,389	19,238

ENVIRONMENT

HEALTH AND SAFETY

Health and safety are fundamental, and we are committed to striving for zero harm by conducting our business activities in a sustainable manner and adopting best practices. We work diligently to ensure product quality and safety, aiming to meet or exceed industry standards and earn the trust of our customers. In FY2024, there were no incidents of serious accidents.

Our newly expanded manufacturing facility was constructed with a focus on quality, health, and safety, and was completed in early 2018. It has not only tripled

our production capacity but also led to significant improvements in quality, efficiency, and productivity.

Quality is a never-ending journey, and we have continuously innovated, modernized our production facilities, and improved our production processes through technological advancements. We undertook an in-depth review of our entire production value chain, which resulted in further investment in technological tools. Our operations were upgraded with the acquisition of new, more efficient machines, which not only improved production yield but also enhanced product quality and reliability.

SUSTAINABILITY REPORT 2024



Target FY2025 (short-, medium- and long-term):

To achieve zero serious accidents

Year	Lost days rate	
2024	Actual	0%
	Target	0%

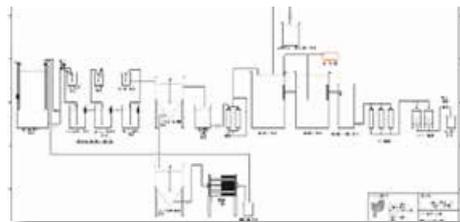


ENVIRONMENTAL

The effects of human-caused global warming are already occurring and have significant implications for both businesses and society. At Acesian, we do our part by managing our business processes—particularly our factory—in a responsible and efficient manner, being mindful of our resource use, and addressing key climate risks and opportunities, despite our limited ability to adapt to the impacts of climate change.

We have already begun addressing some of the environmental issues in previous years. The efforts are ongoing, and various initiatives have been taken that contribute meaningfully to climate change mitigation. We undertook a review of our production value chain with environmental concerns in mind and executed various projects and measures that are beneficial to the

environment. These include the implementation of a new facility and quality control management program, acquisition of 3D scanners, QR systems, and new and more efficient machines, factory housekeeping, as well as refining our water treatment and chimney systems. Such efforts contribute to better management of resource use, waste reduction, carbon emission mitigation, and air quality improvement.



Water treatment and recycling drawing

SUSTAINABILITY REPORT 2024

The water treatment system was implemented in previous years with the help of external consultants. Since then, its design and function have been refined based on the review of our production value chain, and the construction is expected to be completed in 2025. The wastewater treatment system helps manage and reduce the potential harm of effluent on ecosystems by treating the wastewater to remove contaminants and impurities, so it can be safely reused for a variety of purposes, thereby reducing the environmental impact of wastewater. Overall, these initiatives represent meaningful and socially responsible

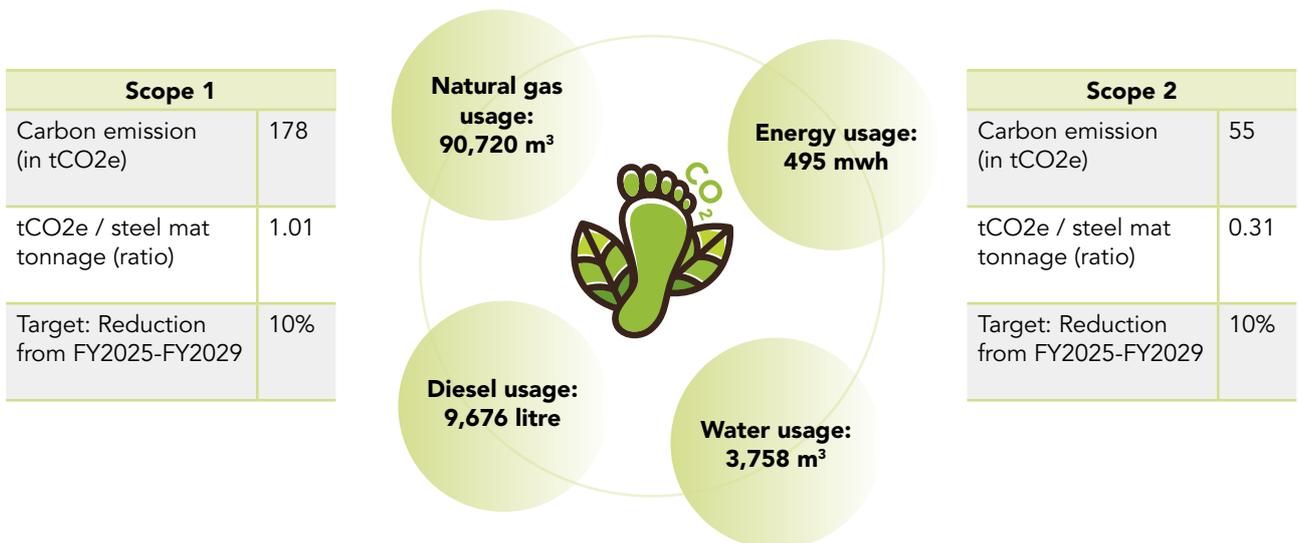
steps to protect the environment, safeguard the Group’s long-term success, modernize the workplace, and improve the well-being of our employees as well as the health of the community at large.

Our focus is on key climate-related risks (physical and transition) and opportunities that are relevant to and directly related to our core business segment (critical airflow design and supply), as it involves manufacturing activities and has a more direct influence on environmental aspects, as shown in the table below.

IDENTIFIED CLIMATE-RELATED RISKS AND OPPORTUNITIES

Risk Type / Potential Impact	Impacts	Our Response and Opportunities
<p>Physical risks</p> <ul style="list-style-type: none"> Growing frequency and/or severity of extreme weather (such as floods) 	<ul style="list-style-type: none"> Disruption to supply and production facilities Damage to property and resources Disruption / restrictions to power and water usage Higher business costs (such as materials costs) 	<ul style="list-style-type: none"> Continuous improvement and innovation in our production processes through R&D and technological means aim to promote resource optimization and reduce operating expenses in the long term. We have invested in several ESG-related projects, such as the installation of air pollution control systems and wastewater treatment and storage systems (a closed-loop water cycle system). These initiatives will help reduce environmental impact by mitigating air pollutants and conserving resources, among other benefits.
<p>Transition risks</p> <ul style="list-style-type: none"> Regulation and litigation 	<ul style="list-style-type: none"> Regulators could impose additional, or tighten, requirements/obligations associated with utilities (such as energy and water), GHG emissions, etc 	

FY2024 (baseline)



SUSTAINABILITY REPORT 2024

SOCIAL

OUR PEOPLE

Our employees are our greatest asset, and we strive to improve their productivity and competency through continuous training and collaborative teamwork. We are committed to creating and maintaining a conducive environment in which all employees are treated with respect and differences are highly valued. Our Group advocates a policy of fair employment opportunities and provides competitive remuneration packages. We foster a sense of ownership and empowerment among our employees, and we adopt an open and transparent performance appraisal process, providing platforms and opportunities for career development.



Employees are the lifeblood of our company, and collectively, they will determine the future trajectory of our business. With this in mind, we strive to provide a conducive work environment that enables them to use their work hours productively and effectively. To support this, we have implemented various flexible work arrangements.

Apart from the performance incentive scheme, as a demonstration to our staff of the trust in them to help move the Group's business forward and in recognition of their hard work and sustained commitment, various social activities and initiatives were organised by the Workplace, Health and Environment Committee ("WHEC") (in consultation with the employees and with the support of senior management). During the year, we introduced a program called 'Respectful Communication in the Workplace' to promote team cohesiveness. Other social activities, such as company outings and festival celebrations, were organized for staff bonding, relaxation, and to motivate, encourage, and strengthen them.



Employee Retention

Our recruitment policy is based on meritocracy, with the required skills and academic qualifications aligned with the job scope and requirements. It is designed to attract and retain suitable talent to support our business growth. We reward strong performance by offering competitive remuneration packages (based on performance, expected roles, and responsibilities). An open annual performance appraisal system, linking performance with remuneration, has been adopted. The actual retention rate for FY2024 was 79%, slightly behind the target rate of 80%, and staff departures were mainly driven by better job opportunities, among other factors. The Group's expansion plans and strategies include talent development, aimed at fostering innovation in areas such as manufacturing processes and product development, as well as improving staff retention to mitigate attrition costs and enhance profitability.



Target FY2025 (short-, medium- and long-term):

To achieve a Retention Rate of employees of 80% (3-year 82%, 5-year 85%)

Year	Retention Rate	
2024	Actual	79%
	Target	80%



SUSTAINABILITY REPORT 2024

DIVERSITY AND EQUALITY

We value diversity and recognize its benefits, including diversity of skills, experience, gender, ethnicity, and other relevant factors. We reward our employees based on merit, considering their skills, experience, knowledge, and performance.



Target FY2025 (short-, medium- and long-term):

To maintain gender ratio of FY2024 (Female 28% and Male 73%)
To achieve zero cases of discrimination or violations of human rights

Year	Gender ♀♂	Critical Airflow Design and Supply	Corporate	Group
2024	Female	23%	71%	27%
	Male	77%	29%	73%
2023	Female	20%	67%	24%
	Male	80%	33%	76%

In 2024, the number of female employees increased across the board, representing 28% of our full-time headcount at the group level and 71% at our corporate office. Due to the nature of our business, we have more male employees than female employees at the operational level. In FY2024, no instances of discrimination or violations of human rights were reported.

TRAINING AND DEVELOPMENT

The Group is committed to enhancing and developing our employees by investing in upgrading their skills, increasing productivity, and improving interpersonal competencies. This is essential for building and maintaining the skills required to support and grow our business operations. We regularly send staff to seminars and training sessions to keep them updated on the latest developments in knowledge, skills, and technology. In FY2024, we conducted an average of 5.8 training hours per FTE, below the target of 10.0 hours. This is mainly due to resources being channelled to focusing on operational improvements such as workflow and IT migration.



Target FY2025 (short-, medium- and long-term):

To maintain an average of 10 training hours per FTE

Average hours of training per year per employee					
Year	Total employees ^	No. of days	No. of training hours *	Average no. of training hours per FTE ^	Target
2024	80	134	464	5.8	10.0
2023	72	121	850	11.8	10.0

* Assuming 8 training hours per day.

^ The headcount (excluding production workers) represents the full-time employees ("FTE") of the Group.

SUSTAINABILITY REPORT 2024

LEGAL COMPLIANCE AND CORPORATE GOVERNANCE

We believe in creating long-term value for our stakeholders through our commitment to high standards of corporate governance. Compliance with legislation and standards (including corporate governance, environmental, health and safety, product quality and safety, and social responsibility) is of utmost importance to our stakeholders. The Group is dedicated to ensuring legal compliance in all areas of our business and upholding high standards of ethical business conduct.

For more details on our corporate governance practices, please refer to the 'Corporate Governance Report' section of this Annual Report 2024.

CODE OF ETHICS AND PRINCIPLES OF BUSINESS INTEGRITY

We believe that our reputation for integrity is the cornerstone of the public's trust and confidence in us. We strive to conduct our business ethically, in full accordance with legal standards and best practices. Accordingly, management consistently reminds employees to adhere to our code of ethics in all business dealings through various means, including meetings, group chats, and the sharing of articles and news.

ANTI-CORRUPTION

The Group maintains a zero-tolerance policy towards bribery, corruption, and other malpractices, which applies to employees, business partners, and other stakeholders. In FY2024, the Group did not receive any reports of incidents involving corruption or bribery.



Target FY2025
(short-, medium- and long-term):

To maintain zero tolerance against corruption

COMPLIANCE WITH LAWS AND REGULATIONS

Our Group's ongoing policy and commitment are to conduct our business in accordance with all relevant laws, regulations, and industry standards. Our management team makes the necessary efforts to ensure they are aware of, and take steps to comply with, legal and regulatory requirements. In FY2024, there were no incidents of non-compliance with relevant laws and regulations.



Target FY2025
(short-, medium- and long-term):

To achieve full compliance with laws and regulations

SUSTAINABILITY REPORT 2024

GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure	Issues of Concern
Organisation Profile		
102-1	Name of the organisation	Acesian Partners Limited
102-2	Activities, brands, products, and services	Annual Report ("AR") page 1
102-3	Location of headquarters	Singapore
102-4	Location of operations	Singapore and Malaysia
102-5	Ownership and legal form	Public Listed Company (Limited by Share Capital)
102-6	Markets served	Singapore, Malaysia and Europe
102-7	Scale of the organisation	AR, Corporate Profile (page 1) AR, Financial Review (page 2-3) AR, Twenty Largest Shareholders (page 106) Sustainability Report
102-8	Information on employees and other workers	AR, Board of directors and senior management (page 4-5)
102-9	Supply chain	Not applicable. During the reporting period, the Company assessed supply chain management as non-material (or it does not have influence) with respect to the operations.
102-10	Significant changes to the organisation and its supply chain	None
102-11	Precautionary Principle or approach	Not applicable
102-12	External initiatives	None
102-13	Membership of associations	Not applicable
Strategy		
102-14	Statement from senior decision-maker	AR, Letter to Shareholders (page 2-3)
102-15	Key impacts, risks, and opportunities	AR, Letter to Shareholders (page 2-3)
Ethics and Integrity		
102-16	Value, principles, standards, and norms of behaviour	AR, Report of Corporate Governance (page 21-45)
Governance		
102-18	Governance structure of the organization	AR, Report of Corporate Governance (page 21-45)

SUSTAINABILITY REPORT 2024

GRI Standards	Disclosure	Issues of Concern
Stakeholder Engagement		
102-40	List of stakeholder groups	Sustainability Report > Stakeholder Engagement
102-41	Collective bargaining agreements	Not applicable. No employee was covered under any collective bargaining agreement.
102-42	Identifying and selecting stakeholders	Sustainability Report > Stakeholder Engagement
102-43	Approach to stakeholder engagement	Sustainability Report > Stakeholder Engagement
102-44	Key topics and concerns raised	Sustainability Report > Stakeholder Engagement
Reporting Practice		
102-45	Entities included in the consolidated financial statements	AR, Corporate Structure (page 5)
102-46	Defining report content and topic Boundaries	Sustainability Report > Reporting Locations, Boundaries and Period
102-47	List of material topics	Sustainability Report > Stakeholder Engagement
102-48	Restatements of information	Not applicable.
102-49	Changes in reporting	Not applicable.
102-50	Reporting period	Sustainability Report > Reporting Locations, Boundaries and Period
102-51	Date of most recent report	FY2024
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	AR, Corporate Information (page 6)
102-54	Claims of reporting in accordance with the GRI Standards and GRI content Index	This report has been prepared in accordance with the GRI Standards 2021
102-55	GRI content index	Sustainability Report > GRI Content Index
102-56	External assurance	None

SUSTAINABILITY REPORT 2024

TCFD CONTENT AND CHECKLIST

TCFD Pillar/ Recommendation	Disclosure	Reference
Governance		
a. Describe the board’s oversight of climate-related risks and opportunities	Acesian’s governance framework aims to drive and oversee the sustainability function, ensuring that core material issues are addressed to manage our priorities, safeguard long-term interests, and create sustainable value for our stakeholders, thereby supporting the success and longevity of the business.	Sustainability Governance Structure and Objectives
b. Describe management’s role in assessing and managing climate-related risks and opportunities	<p>The Board of Directors has overall responsibility for determining the direction of the Group’s sustainability strategy. The Audit Committee, under the stewardship of the Board, maintains oversight of the processes by which material ESG issues are managed and monitored. The Board is periodically apprised of sustainability developments and activities by the Reporting Team.</p> <p>We have adopted a lean organizational structure, with the Sustainability Reporting Team - chaired by the Managing Director of the Company - forming the core of our sustainability framework. This team includes senior management and representatives from various business functions and departments across Singapore and Malaysia. It is responsible for developing sustainability objectives and strategy, identifying key sustainability areas, setting targets, driving execution, reporting, implementing sustainability initiatives, and overseeing performance monitoring. The Reporting Team periodically updates the Board on sustainability developments and activities.</p>	
Strategy		
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Acesian has identified and described the key climate risks and opportunities relevant to our business segments, with a particular focus on the impacts on our manufacturing unit.	Identified Climate-Related Risks and Opportunities FY2024
b. Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning		
c. Describe the resilience of the organisation’s strategy, taking into consideration different climate	The Group, particularly our manufacturing unit, is undergoing a production process reorganisation that will impact resource consumption. It will conduct assessments and scenario analyses upon completion of the operational reorganisation.	

SUSTAINABILITY REPORT 2024

TRI Pillar/ Recommendation	Disclosure	Reference
Risk Management		
a. Describe the organisation's processes for identifying and assessing climate-related risks	Management routinely evaluates the Company's business and operational activities to identify areas of significant risk and implements appropriate measures to control and mitigate these risks. They review all major control policies and procedures, bringing important matters to the attention of the Directors and the Audit Committee.	Corporate Governance: Risk Management
b. Describe the organisation's processes for managing climate-related risks	With support from the Company's internal audit function and oversight from the Audit Committee, the Board conducts annual assessments of the adequacy and effectiveness of the Company's risk management policies, systems, and key internal controls. The Board provides insights on management controls and ensures that necessary corrective actions are promptly taken.	
c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Acesian plans to incorporate climate-related risks into its Enterprise Risk Management framework and processes.	
Metrics and Targets		
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Acesian has developed GHG emissions data (Scope 1 and Scope 2) in FY2024 to establish the necessary metrics, baseline emissions, and targets. The Group faces challenges in obtaining data, particularly from overseas suppliers, for the purpose of meaningful Scope 3 GHG emissions reporting. It will continue exploring and monitoring the development, as well as the evolving measurement and reporting methodologies, for Scope 3 GHG emissions.	
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3		
c. Greenhouse gas (GHG) emissions and the related risks		
d. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets		

CORPORATE GOVERNANCE

The Board of Directors (the “**Board**” or the “**Directors**”) of Acesian Partners Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to maintaining good corporate governance to enhance and safeguard the interest of its shareholders. This report describes the corporate governance framework and practices of the Company with reference to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) and the accompanying Practice Guidance to the Code for the financial year ended 31 December 2024 (“**FY2024**”). Explanations are provided where there are deviations from the Code. The Company has complied with the principles and provisions of the Code where appropriate.

1. BOARD MATTERS

1.1. Board’s Conduct of Affairs

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

The primary function of the Board is to protect and enhance long-term value and returns for shareholders. The Board oversees the business affairs of the Company, puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. Besides carrying out its statutory responsibilities, the Board’s roles include:

- Providing entrepreneurial leadership and stewardship to the Company including charting its corporate strategies and business plans;
- Ensuring that the necessary financial and human resources are in place for the Company to meet its objectives;
- Authorising and monitoring major investment, acquisitions, legal initiatives and strategic commitments;
- Reviewing and assessing the performance of the Management;
- Overseeing the evaluation of the adequacy of internal controls, addressing risk management, financial reporting and compliance, and satisfying itself as to the sufficiency of such processes;
- Establishing a framework for effective control, including the safeguarding of shareholders’ interests and the Company’s assets;
- Providing guidance and advice to Management;
- Being responsible for good corporate governance;
- Considering sustainability issues, including environmental and social factors, as part of the Company’s strategic formulation;
- Identifying key stakeholder groups of the Company and recognising that their perceptions affect the Company’s reputation; and
- Setting the Company’s values and standards, including ethical standards, and ensuring that the obligations to its shareholders and other stakeholders are understood and met.

Directors are aware of their duties at law, which includes acting in good faith and the best interests of the company, exercising due care, skills and diligence, and avoiding conflicts of interest. Formal communication from the Company are given to each director on their appointment, roles, duties, obligations and responsibilities, and expectations of the Company.

Accordingly, all Directors are expected to discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

CORPORATE GOVERNANCE

The Board has also adopted strict internal guidelines and a financial authority limits structure setting forth matters that require Board approval. The Board's decision or specific approval is required on matters such as trade procurement exceeding S\$2,000,000, capital expenditure, major funding proposals, investment and divestment proposals, major acquisitions and disposals, corporate or financial restructuring, mergers and acquisitions, share issuance and dividends, acceptance of bank facilities, release of the Group's half year and full year results announcements and interested person transactions of a material nature.

The Company's Constitution permits the Directors of the Company to attend meetings by means of telephone conference, audio-visual or other similar communications means.

In between the scheduled meetings, the Board may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing.

ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

	Board	Audit Committee	Remuneration Committee	Nominating Committee
No. of meetings held in FY2024	4	4	1	1
Directors	Number of meetings attended in FY2024			
Neo Gim Kiong	3	3	1	1
Loh Yih	4	4 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾
Quek Pok Yeow, Stephen ⁽³⁾	2	2	0	0
Low Ka Choon Kevin ⁽²⁾	2	2	1	1
Ho Ta-Huang	2	2	0	0

Notes:

- ⁽¹⁾ Attendance by invitation.
- ⁽²⁾ Mr. Low Ka Choon Kevin retired at the Company's annual general meeting ("AGM") held on 25 April 2024 and stepped down as an Independent Non-Executive Director, Chairman of the Remuneration Committee, and a member of the Audit Committee and the Nominating Committee of the Company.
- ⁽³⁾ Mr. Quek Pok Yeow, Stephen was appointed on 5 July 2024 as an Independent Non-Executive Director, Chairman of the Remuneration Committee, and a member of the Audit Committee and the Nominating Committee of the Company.

To assist the Board in the discharge of its responsibilities, the Board has established the Audit Committee, Nominating Committee and Remuneration Committee (collectively referred to as the "**Board Committees**"). Upon establishment, the Board Committees operate within clearly defined terms of reference setting out their compositions, authorities and duties, and operating procedures (including reporting back to the Board), which would be reviewed on a regular basis to ensure continued relevance and consistency with the Code. Minutes of all Board Committees meetings will be circulated to the Board so that the Directors are aware of and kept updated as to the proceedings and matters discussed during such meetings.

ACCESS TO INFORMATION

The Company recognises the importance of continual dissemination of relevant information which is explicit, accurate, timely and vital to the Board in carrying out its duties. The Management reports to the Board the Company's progress and drawbacks in meeting its strategic business objectives or financial targets and other information relevant to the strategic issues encountered by the Company in a timely and accurate manner. Prior to each Board meeting, the Board members are each provided with the relevant documents and the necessary information to allow the Board to comprehensively understand the issues to be deliberated upon and to make informed decisions thereon, including periodic financial summary reports, budgets, forecasts and other disclosure documents. In respect of budgets, any material variances between projections and actual results of the Group will be reviewed by the Directors, and will be disclosed and explained by the Company to the shareholders. Directors are also entitled to request from Management additional information required to make informed decisions, which the Management will provide in a timely manner.

CORPORATE GOVERNANCE

In exercising their duties, the Directors have unrestricted, separate and independent access to the Company's Management, company secretary ("**Company Secretary**") and independent auditors. The Company Secretary attends all Board meetings of the Company, ensures a good flow of information within the Board and between the Management and the Non-Executive Directors, and is responsible to the Board for advising on corporate and administrative matters, as well as facilitating orientation and assisting with professional development as required. The appointment and the removal of the Company Secretary is a matter to be approved by the Board as a whole.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil his duties and responsibilities as Director.

1.2. Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Board currently consists of four (4) Directors as follows:

Neo Gim Kiong	Non-Executive Chairman and Lead Independent Non-Executive Director
Loh Yih	Executive Director and Managing Director
Quek Pok Yeow, Stephen	Independent Non-Executive Director (Appointed on 5 July 2024)
Ho Ta-Huang	Non-Independent Non-Executive Director

The Company endeavours to maintain a strong and independent element on the Board. At present, two (2) of the Company's Directors, including the Chairman, are Independent Non-Executive Directors, constituting half of the Board. These Independent Directors, together with a Non-Executive and Non-Independent Director, make up a majority of the Board, which complies with Provision 2.3 of the Code, as well as the requirement under Rule 406(3)(c), *inter alia*, that the Board must have at least two non-executive directors who are independent and free of any material business or financial connection with the Company. As such, there is currently a strong and independent element on the Board.

The Board considers an Independent Director as one who has no relationship with the Company, its related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent judgment of the Group's affairs with a view in the best interests of the Company.

Each Independent Non-Executive Director has, on an annual basis, provided a declaration of his independence. The Independent Directors have confirmed that they are independent in conduct, character and judgment, and they have no relationship (including those provided in Provision 2.1 of the Code) 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 their independent business judgment in the best interests of the Company. The independence of each Director will be reviewed annually by the Nominating Committee in accordance with the requirements of Provision 2.1 of the Code. The Nominating Committee has reviewed and is of the view that the Independent Directors are independent and free from any relationships outlined in the Code. Accordingly, the Nominating Committee and the Board consider each of the Independent Non-Executive Directors to be independent based on the considerations of the requirements in Provision 2.1 of the Code and the declarations made by each of the Independent Non-Executive Directors.

As of the date of this report, both Independent Directors, Mr. Neo Gim Kiong and Mr. Quek Pok Yeow, Stephen, have not served on the Board beyond an aggregate period of more than 9 years (whether before or after listing).

CORPORATE GOVERNANCE

A review of the size of the Board will be undertaken by the Company, and the Nominating Committee will also determine if the current size and composition of the Board are appropriate for the scope and nature of the Group's operations, and facilitate effective decision-making. In line with the Code, the Nominating Committee will take into account the requirements of the Group's businesses and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. The Nominating Committee considers the current Board size to be appropriate for effective decision-making, taking into account the nature and scope of the Group's operations.

The composition of the Board will be reviewed on an annual basis by the Nominating Committee to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Nominating Committee has reviewed and is of the view that the current Board comprises persons who as a group provide the appropriate balance and diversity of skills, experience and capabilities required for the Board to be effective, and the present composition of the Board allows it to exercise objective judgment on corporate matters, foster constructive debate, and avoid groupthink, and that no individual or small group of individuals dominates the decision-making process of the Board.

The Board recognises that board diversity is an essential element contributing to a well-functioning and effective Board, as well as the sustainable development of the Group. The Board has in place a Board Diversity Policy, the objectives of which are to promote and enhance the decision-making process of the Board through the perspectives derived from the professional expertise, business experience, industry discipline, skills, knowledge, gender, age, educational background, ethnicity and culture, geographical background, nationalities and other diverse qualities of the Board members. The Board evaluated its diversity and is of the view that the current composition of the Board, including its diversity, is appropriate and serves the requirements of the Group's businesses. In the evaluation of the composition and diversity of the Board and making recommendations to the Board for the appointment of its members, the Nominating Committee considered the various aspects of board diversity, and set practical timelines to implement the policy. It will also report to the Board on an annual basis on the progress made in promoting and achieving its board diversity objectives.

The Non-Executive Directors effectively check on Management by constructively challenging and helping to develop proposals on strategy. They monitor and review the reporting and performance of Management in meeting agreed goals and objectives. The Non-Executive Directors may meet regularly on their own as warranted without the presence of Management.

The profiles of the Directors are set out on page 4 of this Annual Report.

Upon appointment to the Board, each Director will be given appropriate briefings by the Management on the business activities of the Group, its strategic direction and the Company's corporate governance policies and practices.

The Company has an orientation program for all new Directors, and the Directors also have the opportunity to visit the Group's operating facilities to gain a better understanding of the Group's business operations. Directors who are first-time directors, or who have no prior experience as directors of a listed company will undergo the Listed Entity Director Programme conducted by the Singapore Institute of Directors ("**SID**"), and will also undergo briefings on the roles and responsibilities as directors of a listed company.

All newly appointed Directors will receive a formal letter from the Company setting out the duties and responsibilities as a Director, along with an information pack containing the Company's annual report, Constitution, respective Board committees' terms of reference (where applicable), as well as a template director's disclosure form pertaining to his obligations in relation to disclosure of interests in securities and conflict of interests.

CORPORATE GOVERNANCE

The Directors are provided with continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, as well as changes in the relevant provisions of the Singapore Companies Act 1967 ("**Companies Act**") and the Catalist Rules of the SGX-ST, so as to update and refresh them on matters that affect or may enhance their performance as Board or Board committee members. They are also informed of and are encouraged to attend relevant seminars such as those organised by the SGX-ST, SID and other external professional organisations to keep abreast of developments relevant to their roles.

1.3. Chairman and CEO

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Non-Executive Chairman and Lead Independent Non-Executive Director as at the date of this report is Mr. Neo Gim Kiong and the Managing Director is Mr. Loh Yih whose role is to focus on corporate development activities and expansion of the Group's businesses. The Company currently does not have a Chief Executive Officer. Instead, the Company appointed Mr. Lai Chi Wan as General Manager, whose role is to oversee the overall business direction, sales and operation of the Group.

The Non-Executive Chairman leads the Board to ensure its effectiveness on all aspects of its role. He approves the agendas for the Board, and ensures that adequate time is available for discussion of all agenda items during the meetings, in particular strategic issues. The meeting agendas for Board Committees are approved by the Non- Executive Chairman together with the respective chairpersons of the Board Committees.

The Non-Executive Chairman also exercises control over the quality, quantity and timeliness of information flow between the Board, the Management and the shareholders of the Company. He encourages interactions between the Board and the senior management, as well as between the Executive and Non-Executive Directors, and promotes a culture of openness and debate at the Board. The Non-Executive Chairman also ensures that the Directors receive complete, adequate and timely information and ensures effective communication with shareholders. In addition, the Non-Executive Chairman takes a leading role in ensuring the Company's compliance with corporate governance principles and provisions.

The Board is of the view that the separation of the roles of Non-Executive Chairman and Managing Director ensures an appropriate balance of power, increased accountability and sufficient capacity of the Board for independent decision making. The Non-Executive Chairman and the Managing Director are not related to each other.

Mr. Neo Gim Kiong has been appointed as the Non-Executive Chairman and Lead Independent Non-Executive Director of the Company to lead and coordinate the activities of the Independent Directors and to address the concerns, if any, of the Company's shareholders for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate. Led by the Lead Independent Director, the Independent Directors will also meet periodically without the presence of the other Directors, for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary, and the Lead Independent Director will provide feedback to the Board after such meetings. The Lead Independent Director is contactable through a dedicated email address which is displayed in the Company's website.

CORPORATE GOVERNANCE

1.4. Board Membership

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

The Nominating Committee

The Company has constituted a Nominating Committee to, among other things, make recommendations to the Board on all Board appointments and oversee the Company's succession and leadership development plans. As of the date of this report, the Nominating Committee comprises Mr. Neo Gim Kiong (Chairman of the Nominating Committee), Mr. Quek Pok Yeow, Stephen, and Mr. Ho Ta-Huang, the majority of whom, including the Chairman, are independent (which is in compliance with Provision 4.2 of the Code).

The primary function of the Nominating Committee is to determine the criteria for identifying candidates, review nominations for the appointment of Directors to the Board, decide how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval. Its duties and functions are outlined as follows:

- (a) to make recommendations to the Board on all Board appointments and re-nomination having regard to the Director's contribution and performance (e.g. attendance, preparedness, participation, candour and any other salient factors);
- (b) to ensure that all Directors would be required to submit themselves for re-nomination and re-election at regular intervals and at least once in every three years;
- (c) to determine annually whether a Director is independent, in accordance with the principles and provisions contained in the Code;
- (d) to decide whether a Director is able to and has adequately carried out his duties as a Director of the Company, in particular, where the Director has multiple board representations;
- (e) to review and approve any new employment of related persons and the proposed terms of their employment;
- (f) to put in place and review Board succession plans for the Directors, and in particular, for the Chairman of the Board, the Chief Executive Officer or Managing Director of the Company, and key management personnel;
- (g) to decide how the performance of the Board, Board committees and directors may be evaluated and to propose objective performance criteria, subject to the approval of the Board, which address how the Board has enhanced long term shareholders' value; and
- (h) to review the training and professional development programs for the Board.

In reviewing succession plans, the Nominating Committee has in mind the Company's strategic priorities and the factors affecting its long-term success. In relation to Directors, the Nominating Committee aims to maintain an optimal Board composition by considering the trends affecting the Group, reviewing the skills needed, and identifying gaps which includes considering whether there is an appropriate level of diversity of thought. In relation to key management personnel, the Nominating Committee takes a keen interest in how key talent is managed within the organization, including the mechanisms for identifying strong candidates and developing them to take on senior positions in the future.

CORPORATE GOVERNANCE

The Board has implemented a process to be carried out by the Nominating Committee for assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual Director to the effectiveness of the Board. Each member of the Nominating Committee shall abstain from voting on any resolution and making any recommendations and/or participating in any deliberations of the Nominating Committee in respect of the assessment of his performance or re-nomination as a Director.

There is a formal and transparent process for the appointment of new Directors to the Board. The Nominating Committee reviews and recommends all new Board appointments and also the re-nomination and re-appointment of Directors to the Board, with a view to advancing the Company's objective of promoting board diversity. The Nominating Committee uses its best efforts to ensure that Directors appointed to the Board possess the background, experience and knowledge in technology, business, finance and management skills critical to the Company's business and that each Director contributes and brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

In the nomination and selection process of a new Director, the Nominating Committee identifies key attributes of an incoming Director based on the requirements of the Group and recommends to the Board the appointment of the new Director. The Nominating Committee will use various channels in search of appropriate candidates, such as through Directors and Management's personal networks, or enlisting external help from the Singapore Institute of Directors or professional consultants, and will take into consideration the current Board size and its composition – including the mix of expertise, skills and attributes of the Directors and determine if the candidate's background, experience and knowledge will bolster the core competencies of the Board. In identifying potential new Directors, the Nominating Committee will also consider the various aspects of board diversity, including gender diversity, and will meet with shortlisted candidates to assess their suitability, if necessary, before making a recommendation to the Board. A stringent due diligence process will be performed on every potential candidate which will include, among others, whether a candidate has fully discharged his/her duties and obligations during his/her previous directorship of an SGX-listed company, whether the candidate had previously served on the board of a company with an adverse track record or with a history of irregularities or is or was under investigation by regulators, and seek clarity on the candidate's involvement therein.

Annually, the Nominating Committee will assess the independence of each Director, the performance of the Board as a whole, and the contribution of each Director to the effectiveness of the Board. The Nominating Committee has conducted an annual review of the independence of the Independent Directors, based on the requirements of the Code, and has ascertained that they are independent. The Nominating Committee is also required to determine whether Directors who hold multiple board representations are able to and have been devoting sufficient time to discharge their responsibilities adequately. As a guide, the Nominating Committee and the Board have determined the maximum number of board representations on other listed companies that their Directors may hold to be six (6) based on its assessment of the time commitment requirements for the Group and the board representations each Director can reasonably be expected to manage. The Nominating Committee has reviewed and is satisfied that each Director has adequately discharged his duties and has contributed effectively and demonstrated commitment to his respective roles including his commitment of time for the Board and Board Committee meetings, attention given to the Company's affairs and any other duties in FY2024.

All Directors are subject to the provisions of Regulation 89 of the Company's Constitution whereby one-third of the Directors are required to retire and subject themselves to re-election by the shareholders at each AGM, and each Director is required to subject himself for re-nomination and re-election at least once every three (3) years. In addition, any new Director appointed during the year either to fill a casual vacancy or as an addition to the Board will have to retire at the AGM following his appointment, and is eligible for re-election if he desires so.

CORPORATE GOVERNANCE

At the forthcoming AGM, Mr. Loh Yih is due for retirement by rotation under Regulation 89 of the Company's Constitution. Mr. Loh Yih had submitted himself for re-nomination and re-election. The Nominating Committee has reviewed and recommended to the Board that Mr. Loh Yih be nominated for re-election at the forthcoming AGM of the Company. Mr. Loh Yih will, upon re-election, remain as an Executive Director and Managing Director of the Company. Mr. Quek Pok Yeow, Stephen will cease to hold office at the forthcoming AGM and be eligible for re-election under Regulation 88 of the Company's Constitution. Mr. Quek Pok Yeow, Stephen had submitted himself for re-nomination and re-election. The Nominating Committee has reviewed and recommended to the Board that Mr. Quek Pok Yeow, Stephen be nominated for re-election at the forthcoming AGM of the Company. Mr. Quek Pok Yeow, Stephen will, upon re-election as Director, remain as Independent Non-Executive Director of the Company, Chairman of Remuneration Committee and a member of the Audit Committee and the Nominating Committee. The current directorships and other principal commitments of Mr. Loh Yih and Mr. Quek Pok Yeow, Stephen are found in the table below.

Key information regarding the Directors, including the dates of initial appointment and last re-election of each Director, together with their directorships in other listed companies, are set out on page 4 of this Annual Report and as follows:

Name of Director	Date of Initial Appointment	Date of Last Re-election	Current Directorship in other Listed Companies	Past 3 Years Directorship in other Listed Companies	Other Principal Commitments
Loh Yih	30 September 2013	27 April 2022	Nil	Ban Leong Technologies Limited	Nil
Neo Gim Kiong	2 August 2018	25 April 2024	Ban Leong Technologies Limited Asia Enterprises Holding Limited	Nil	Nil
Quek Pok Yeow, Stephen	5 July 2024	Not Applicable	Giti Tire Corporation, China Shanghai	Nil	Chief Executive Officer of Metro Transit Solutions Pte Ltd
Ho Ta-Huang	7 December 2001	27 April 2023	Nil	Nil	Chairman of Chern Dar Enterprise Co., Ltd

There are no alternate directors appointed in the Company.

CORPORATE GOVERNANCE

Additional information relating to the Directors who are retiring and being eligible, are offering themselves for re-election at the forthcoming AGM pursuant to Rule 720(5) of the Catalist Rule, is as follows:

Details	Director	Director
	Loh Yih	Quek Pok Yeow, Stephen
Date of initial appointment	30 September 2013	5 July 2024
Date of last re-election	27 April 2022	Not Applicable
Age	61	45
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of Directors has accepted the Nominating Committee's recommendation, who has reviewed and considered Mr. Loh's performance and contribution as Executive Director and Managing Director of the Company.	The Board of Directors has accepted the Nominating Committee's recommendation, who has reviewed and considered Mr. Quek's performance and contribution as Independent Non- Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Managing Director	Independent Non-Executive Director, Chairman of Remuneration Committee, and member of Audit Committee and Nominating Committee
Professional qualifications	Bachelor of Accountancy	Bachelor of Banking and Finance
Working experience and occupation(s) during the past 10 years	2018 to Present Executive Director and Managing Director of Acesian Partners Limited 2013 to 2018 Executive Director and Chairman of Acesian Partners Limited	2013 to Present CEO of Metro Transit Solutions Pte Ltd 2019 to Present CEO of MTS Systems Engineering Pte Ltd 2018 to 2020 Executive Director of GHY Culture & Media (Singapore) Pte Ltd
Shareholding interest in the listed issuer and its subsidiaries	Direct interest of 100,877,558 ordinary shares (21.35%) and deemed interest of 47,380,000 (10.02%) ordinary shares in the share capital of the Company (excluding treasury shares)	Direct interest of 8,600,000 ordinary shares (1.82%) and deemed interest of 1,000,000 (0.21%) ordinary shares in the share capital of the Company (excluding treasury shares)

CORPORATE GOVERNANCE

Details	Director	Director
	Loh Yih	Quek Pok Yeow, Stephen
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments including Directorships		
Past (for the last 5 years)	International Press Softcom Limited Ban Leong Technologies Limited Shangdong Heavy Industry Group	Indana Pte Ltd QFin Asia Pte Ltd Perfect Credit Pictures (Singapore) Pte Ltd Xinfei Digital Pte Ltd Udaan Pte Ltd DTRO Singapore Pte Ltd Absolute AI Asia (SG) Pte Ltd
Present	MGF Management Pte Ltd Cavangh Group Pte Ltd MGF Capital Limited Memontum Pte Ltd Pillocom Pte Ltd	Giti Tire Corporation, China Metro Transit Solutions Pte Ltd MTS Systems Engineering Pte Ltd MTS M&E Pte Ltd Key Direction (Singapore) Pte Ltd SML Capital Pte Ltd SML Holdings Pte Ltd SML Solutions Pte Ltd Tres Engineering Consultants Pte Ltd

CORPORATE GOVERNANCE

Details	Director	Director
	Loh Yih	Quek Pok Yeow, Stephen
Information required pursuant to Catalyst Rule 704(6)		
(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
(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?	Yes ⁽¹⁾	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

CORPORATE GOVERNANCE

Details	Director	Director
	Loh Yih	Quek Pok Yeow, Stephen
(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
(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

CORPORATE GOVERNANCE

Details	Director	Director
	Loh Yih	Quek Pok Yeow, Stephen
(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 :-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes ⁽²⁾	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,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		

CORPORATE GOVERNANCE

Details	Director	Director
	Loh Yih	Quek Pok Yeow, Stephen
(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	Yes ⁽³⁾

⁽¹⁾ The Company's wholly-owned subsidiary, Acesian Star (S) Pte. Ltd. ("**ASPL**") is under liquidation by an Order of Court made on 12 October 2020.

⁽²⁾ Mr. Loh Yih was an Independent Non-Executive Director and a member of the Audit Committee of Trek 2000 International Limited ("**Trek2000**") from May 2017 to May 2018. He assisted in the investigations of suspicious transactions and management irregularities in Trek2000. Subsequently, he resigned on 8 May 2018.

⁽³⁾ Mr. Quek Pok Yeow, Stephen, assisted in a CPIB investigation in relation to certain transactions in August 2022 with a supplier. He attended an interview in July 2023 to provide clarification on the transactions. Following the interview by CPIB, he was subsequently informed by CPIB that he is not required to provide any further assistance in this matter.

⁽⁴⁾ Mr. Quek Pok Yeow, Stephen, has completed the Mandatory Training as prescribed in the Catalist Rules.

1.5. Board Performance

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

Review of the Board's performance will be conducted by the Nominating Committee annually. The Nominating Committee is guided by its terms of reference which sets out its responsibility for assessing the Board's effectiveness as a whole, the effectiveness of its Board Committees, and the contribution from each individual Director to the effectiveness of the Board. The Board, through the delegation of its authority to the Nominating Committee, has used its best efforts to ensure that Directors appointed to the Board possess the background, experience and knowledge in technology, business, legal, finance and management skills critical to the Company's business and that each Director contributes and brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

In assessing the effectiveness of the Board, the Nominating Committee considers a number of factors, including the discharge of the Board's functions, access to information, participation at Board meetings and communication and guidance given by the Board to the Management. The Nominating Committee's focus in the assessment of the Board's effectiveness is on its ability to provide supervision and oversight to the Management.

With regard to the performance evaluation process, each Director will complete an evaluation questionnaire to assess the performance of the Board as a whole and his individual performance, and provide the feedback to the Nominating Committee. Each member of the Audit Committee, Nominating Committee and Remuneration Committee will also complete evaluation questionnaires in respect of the Audit Committee, Nominating Committee and Remuneration Committee respectively. A summary report will be compiled by the Chairman of the Nominating Committee and submitted to the Chairman of the Board for analysis and discussion with a view to implement certain recommendations to further enhance the effectiveness of the Board. If necessary, a copy of the summary report will be extended to the individual Director for information and feedback. No external facilitator was used in the evaluation process.

CORPORATE GOVERNANCE

In reviewing the Board's effectiveness as a whole, the Nominating Committee shall take into account feedback from Board members as well as the Director's individual skills and experience. The Nominating Committee will also consider the principles set out in the Code for the evaluation and assessment of the performance of the Board as a whole in achieving strategic objectives. The Nominating Committee is of the view that although some of the Directors have multiple board representations, these Directors are able and have been adequately carrying out their duties as Directors of the Company.

The Nominating Committee, having reviewed the overall performance of the Board and the respective committees in terms of its roles and responsibilities and the conduct of its affairs as a whole, and each individual Director's performance, is of the view that the performance of the Board, the respective committees and each individual Director has been satisfactory.

2. REMUNERATION MATTERS

2.1. Procedures for Developing Remuneration Policies

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

As of the date of this report, the Remuneration Committee comprises Mr. Quek Pok Yeow, Stephen (Chairman of the Remuneration Committee), Mr. Neo Gim Kiong and Mr. Ho Ta-Huang, the majority of whom, including the Chairman, are independent (which is in compliance with Provision 6.2 of the Code).

The Remuneration Committee meets at least once a year and is regulated by a set of written terms of reference that sets out its duties and responsibilities. Amongst them, the Remuneration Committee shall:-

- (a) recommend to the Board a framework of remuneration for the Board and determine the specific remuneration package for each Executive Director and the key management personnel of the Company. The Remuneration Committee's recommendations should cover all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options, benefits-in-kind and termination terms, to ensure that they are fair;
- (b) review, on an annual basis, the remuneration and any adjustments to the remuneration of employees who are related to the Directors and substantial shareholders of the Company, to ensure that their remuneration packages are in line with the Group's employee remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of the Remuneration Committee;
- (c) review the remuneration of the Executive Directors within a reasonable period from the Board's approval of the audited financial statements for the immediate preceding financial year and review the remuneration of the key management personnel (who are not Directors or the Chief Executive Officer/ Managing Director) of the Company at the end of each calendar year;
- (d) determine performance-related elements of remuneration to align the interests of the Executive Directors with those of shareholders and link rewards to corporate and individual performance. Performance assessment measures should be appropriate and meaningful;
- (e) consider whether Directors should be eligible for benefits under long-term incentive schemes;
- (f) administer the Company's performance bonus share plan;
- (g) consider and make recommendations to the Board concerning the disclosure of details of the Company's remuneration policy, level and mix of remuneration and procedure for setting remuneration, and the details of the specific remuneration packages of the Directors and key executives of the Company, in addition (if appropriate) to those required by law or by the Code.

CORPORATE GOVERNANCE

Each member of the Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package. The overriding principle is that no Director should be involved in deciding his own remuneration. The Remuneration Committee has met to consider and review the remuneration packages of the Executive Directors and key management personnel, including those employees related to the Executive Directors and substantial shareholders of the Company, to ensure that they are appropriate and proportionate to the sustained performance and value creation of the Group.

The Remuneration Committee may from time to time, and where necessary or required, engage independent external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management and ensure that existing relationships, if any, between the Company and its appointed consultants will not affect the independence and objectivity of the consultants. Among other matters, this helps the Company to stay competitive in its remuneration packages. No independent external consultants have been engaged by the Company for this purpose for FY2024.

2.2. Level and Mix of Remuneration

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

In setting remuneration packages, the Remuneration Committee takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors.

The Independent Directors and Non-Executive Directors receive fixed Directors' fees plus a variable component, in accordance with their contribution, taking into account factors such as effort, time spent, and responsibilities of each Director. The Remuneration Committee recognises the need to pay competitive fees to attract, motivate and retain such Independent Directors and Non-Executive Directors, yet not over-compensate them to the extent that their independence (if applicable) may be compromised. Directors' fees are recommended by the Board for approval by the shareholders at the Company's AGM.

The Company's Executive Directors are remunerated in accordance with their respective service agreements with the Company. The Remuneration Committee reviews and recommends to the Board the remuneration package (including appropriate compensation in the event of early termination) of the Executive Directors, and aims to be fair and avoid rewarding inadequate performance. The terms of the Executive Directors' service agreements were approved by the Board. Pursuant to the service agreements, the remuneration comprises a fixed salary and performance bonuses linked to corporate and individual performances where appropriate, and is designed to align the interests of the Executive Directors with those of shareholders. Independent and Non-Executive Directors do not have service agreements with the Company.

The Group has also entered into letters of employment with key management personnel. Such letters typically provide for the salaries payable to the key management personnel, their working hours, medical benefits, grounds of termination and certain restrictive covenants. The Remuneration Committee is satisfied that the termination clauses set out in the service agreements and in the letters of appointment are fair and reasonable to the parties, and are not overly generous.

The Company's compensation framework comprises fixed pay and short-term and long-term incentives. The Company subscribes to linking executive remuneration to corporate and individual performance, based on an annual appraisal of employees and using indicators such as core values, competencies, key result areas, performance rating, and potential of the employees. Long-term incentive schemes are put in place to motivate and reward employees and align their interests with the interests of shareholders to promote the long-term success of the Company.

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The Company has a performance bonus share plan known as the Acesian Performance Bonus Share Plan 2022 ("PSP 2022"), approved and adopted by shareholders at the Company's AGM held on 27 April 2022 and renewed by shareholders at its AGM held on 27 April 2023 and on 25 April 2024. Details of the PSP 2022 can be found in the Company's circular to shareholders dated 4 April 2022. The PSP 2022 is administered by the Remuneration Committee of the Company (currently comprising Mr. Quek Pok Yeow, Stephen, Mr. Neo Gim Kiong and Mr. Ho Ta-Huang). Share awards were granted to some employees of the Group in FY2023, total awards of which 1,431,378 share awards had vested on 16 May 2024, pursuant to which the Company transferred 1,431,378 treasury shares to the relevant employees on 17 May 2024. No share award was granted to directors and controlling shareholders of the Company (and their associates) during FY2024.

The Company has not adopted the use of contractual provisions in the terms of the contracts of service of the Executive Directors and key management personnel to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Company will review the feasibility of having such contractual provisions in future renewals of service agreements and/or employment contracts of its Executive Directors and key management personnel as recommended by the Code.

2.3. Disclosure on Remuneration

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The independent directors do not enter into service agreements with the Company. They are paid directors' fees, the amount of which is dependent on their level of responsibilities. The amount of directors' fees payable to independent directors is subject to shareholders' approval at the Company's AGM.

The Company advocates a performance-based remuneration system that is flexible and responsive to the market and the performance of the Company and the individual employee. This allows the Company to better align executive compensation with shareholders' value creation. The total remuneration mix comprises annual fixed cash and annual performance incentive. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances. The annual performance incentive is tied to the performance of the Company and the individual employee.

For the purpose of assessing the performance of Executive Directors and other key management personnel, key performance targets are set out at the beginning of each financial year.

The Company's staff remuneration policy is based on each individual's rank and role, the individual performance, the Group's performance and industry benchmarking gathered from companies in comparable industries. The remuneration of Non-Executive Directors takes into account their level and quality of contribution and their respective responsibilities, including attendance and time spent at Board meetings and Board Committees' meetings. Non-Executive Directors who perform services through Board Committees will be paid additional basic and attendance fees for such services. No Director decides his own fees. Directors' fees will be reviewed periodically to benchmark such fees against the amounts paid by other major listed companies.

CORPORATE GOVERNANCE

The breakdown of remuneration of the Directors of the Company for FY2024 are as follows:

Directors/ Managing Director	Fees (S\$)	Fees %	Remuneration paid (S\$)	Salaries %	Bonus %	Other Benefits %	Total %
Loh Yih	–	–	583,493	85	4	11	100
Neo Gim Kiong	30,000	100	–	–	–	–	100
Low Ka Choon Kevin ⁽¹⁾	6,339	100	–	–	–	–	100
Quek Pok Yeow, Stephen ⁽²⁾	9,836	100	–	–	–	–	100
Ho Ta-Huang	30,000	100	–	–	–	–	100

Notes:

- ⁽¹⁾ Mr. Low Ka Choon Kevin retired at the Company's AGM held on 25 April 2024 and stepped down as an Independent Non-Executive Director, Chairman of the Remuneration Committee, and a member of the Audit Committee and the Nominating Committee of the Company.
- ⁽²⁾ Mr. Quek Pok Yeow, Stephen, was appointed on 5 July 2024 as an Independent Non-Executive Director, Chairman of the Remuneration Committee, and a member of the Audit Committee and Nominating Committee of the Company.

Based on the Group's current organisational structure, the Company only identified two key management personnel (who are not Directors or the Managing Director of the Company), instead of five as required by the Code. The breakdown of remuneration of the key management personnel of the Group for FY2024 is as follows:

Key Management Personnel	Salaries %	Bonus %	Other Benefits %	Total %
Below S\$250,000				
Lai Chi Wan*	92	8	–	100
Choo Wai Leong	92	8	–	100

* Lai Chi Wan was appointed as General Manager of the Company on 6 February 2024.

The total remuneration paid to the above-mentioned key management personnel (who are not Directors or the Managing Director) for FY2024 is disclosed in bands. Save for the key management personnel described in the table above, the Company does not have any other key management personnel. The Company continues to disclose remuneration in bands in order to lower the risk of competitors poaching the Company's staff. The Company has not disclosed the exact amount of the remuneration of its key management personnel as it is not in the best interests of the Company and the employees to disclose such details due to the sensitive nature of such information. The aggregate remuneration paid to the key management personnel (who are not Directors or the Managing Director) in FY2024 is S\$418,761 (inclusive of CPF contribution).

The Company confirms that no employee of the Group is a substantial shareholder of the Company, immediate family member of any Director or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during FY2024.

There are no termination, retirement and post-employment benefits granted to Directors, and the two key management personnel.

CORPORATE GOVERNANCE

3. ACCOUNTABILITY AND AUDIT

3.1. Accountability

The Board believes that it should conduct itself in ways that deliver maximum sustainable value to its shareholders. Timely releases of the Group's financial results and all significant information to shareholders as well as the prompt fulfilment of statutory requirements are ways to maintain shareholders' confidence and trust in the Board's capability and integrity.

Currently, the Company is required to release half year and full year results announcements pursuant to the Catalist Rules. In this respect, the Board, with the assistance of the Management, strives to provide a balanced and understandable assessment of the Group's performance, position and prospects. The Board also undertakes such effort with respect to other price sensitive public reports and reports to regulators, where required. Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings.

The Management is responsible to the Board and the Board itself is accountable to the shareholders of the Company. The Board is provided with the management accounts of the Group's performance and position on a monthly basis.

The Board has also established written policies of the Company to ensure compliance of the Company with legislative and regulatory requirements, including requirements under the Catalist Rules.

3.2. Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board is responsible for the overall internal control framework and policies and is fully aware of the need to put in place a system of internal controls within the Group to safeguard the interests of the Group and its shareholders, and to manage risks. The Board also oversees Management in the design, implementation and monitoring of the risk management and internal control systems. The Board and Audit Committee will review on an annual basis the adequacy and effectiveness of the Company's risk management and internal controls system, including financial, operational, compliance and information technology controls.

The Board believes that adequate internal controls within the Group are crucial to ensure that the Group continues to meet or exceed its standards in all key aspects, and at the same time, to safeguard shareholders' interest and the Group's assets through effective risk management. The internal control matter is further described in below section 3.4.

The Company engaged Yang Lee & Associates, internal auditor of the Company, to conduct a risk assessment and management (including emerging risks) as well as risk management framework exercise for the Group in FY2022. The risk assessment considered emerging risk. The risk management process is a continual process that involves five key activities, namely, communication and consultation, establishing the context, risk assessment, risk treatment, monitoring and review. Each risk identified is assigned with a risk level to determine the actions required. There were altogether 13 Group level risks identified, segregated into 4 categories, namely strategic, operational, financial and compliance. The medium and high risk areas in the 4 categories are as follows:

- Strategic risk: intense market competition and economic downturns or recessions
- Operational risk: failure of suppliers to provide timely and quality products
- Financial risk: non-collection of overdue balances
- Compliance risk: potential disputes with counterparties

CORPORATE GOVERNANCE

The treatment plans for those identified risks are mostly internal controls which will be taken into consideration and incorporated into annual internal audit plan.

With the assistance of the internal audit function of the Company and through the Audit Committee, the Board reviews the adequacy and effectiveness of the Company's risk management policies and systems, and key internal controls at least on an annual basis, provides its perspective on management control and ensures that the necessary corrective actions are taken on a timely basis. There are formal procedures in place for both the internal and external auditors to report conclusions and recommendations to Management and to the Audit Committee independently.

The Board notes that no cost effective system of internal controls could provide absolute assurance against the occurrence of material errors, losses, fraud or other irregularities and based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by the Management and the Board, the Board with the concurrence of the Audit Committee are of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective. Additionally, the Board is satisfied that the above-mentioned internal controls and risk management systems are adequate and effective to address its key business risks at reporting date.

The Board has also received assurances from the Managing Director and Deputy Chief Financial Officer that:

- a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- b) the Company's risk management and internal control systems were adequate and effective as at 31 December 2024.

The Board understands that it may establish a separate board risk committee or otherwise assess appropriate means to assist it in carrying out its responsibility of overseeing the Company's risk management framework and policies. The Company currently does not have a separate board risk committee and will look into the need for establishment of a separate board risk committee at a relevant time.

3.3. Audit Committee

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

As of the date of this report, the Audit Committee comprises Mr. Neo Gim Kiong (Chairman of the Audit Committee), Mr. Quek Pok Yeow, Stephen, and Mr. Ho Ta-Huang, the majority of whom, including the Chairman, are independent.

The Audit Committee members collectively possess many years of experience in accounting, business and financial management. The Board considers that the members of the Audit Committee are appropriately qualified to discharge the responsibilities of the Audit Committee.

It functions under a set of written terms of reference which sets out its responsibilities below. The Audit Committee also has explicit authority to investigate any matter within its terms of reference:

- (a) review the assurance from the chief executive officer and chief financial officer, or key management personnel assuming analogous positions or responsibilities;
- (b) review the independence and objectivity of the external auditors annually;
- (c) review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- (d) review the half year and full year financial results before submission to the Board for approval;
- (e) review at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems;

CORPORATE GOVERNANCE

- (f) review the adequacy, effectiveness, independence, scope and results of the external audit and the Group's internal audit function;
- (g) meet at least annually with the Company's internal and external auditors to review their audit plan and discuss the results of their respective examinations and their evaluation of the Group's system of internal accounting controls without the presence of the Company's Management;
- (h) consider and recommend to the Board on the appointment, re-appointment and removal of the external and internal auditors, and approving the remuneration and terms of engagement of the external and internal auditors;
- (i) review arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;
- (j) review the external and internal auditors' reports;
- (k) review the co-operation given by the Group's officers to the external auditors;
- (l) review and approve interested persons transactions, if any, falling within the scope of Chapter 9 of the Catalist Rules;
- (m) review potential conflicts of interest, if any, and ensuring procedures for resolving such conflicts are strictly adhered to;
- (n) 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;
- (o) review and establish procedures for receipt, retention and treatment of complaints received by the Group regarding, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group; and
- (p) generally undertake such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments made thereto from time to time.

Apart from the above functions, the Audit Committee will also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results or financial position. The Audit Committee is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Group. Each member of the Audit Committee will abstain from any deliberations and/or voting in respect of matters in which he is interested.

The Audit Committee has full access to the Management and also full discretion to invite any Director or key Management to attend its meetings, and has been given reasonable resources to enable it to discharge its function properly.

The Audit Committee has met with the external auditors, without the presence of Management, at least once in FY2024. The Audit Committee has recommended to the Board the nomination of PKF-CAP LLP for their re-appointment as external auditors of the Company at the forthcoming AGM. The Group's Singapore-incorporated subsidiaries are audited by PKF-CAP LLP. The Company confirms that it complies with Rules 712 and 715 of the Catalist Rules in relation to the proposed re-appointment of PKF-CAP LLP as the external auditors of the Company. The Audit Committee, having reviewed the scope and value of non-audit services provided to the Group by the external auditors, is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. Non-audit fee of \$1,466 or 1.7% of total audit fees was paid to the external auditors during FY2024. The aggregate amount of audit fees payable to the external auditors for the financial year ended 31 December 2024 is \$84,185. None of the Audit Committee members were former partners or directors of or have financial interest in PKF-CAP LLP.

CORPORATE GOVERNANCE

In evaluating the quality of the work carried out by the external auditors, PKF-CAP LLP, the Audit Committee's assessment of the performance of PKF-CAP LLP was based on the Audit Quality Indicators Disclosure Framework ("**AQI Framework**") recommended by the Accounting and Corporate Regulatory Authority ("**ACRA**"), which was revised in January 2020 to ensure that the indicators can better meet the needs of the Audit Committee. The AQI Framework comprises 8 comparable quality markers that correlate closely with audit quality based on ACRA's observations from inspecting auditors over the past decade. These include relevant experience of the senior audit team members, average training hours incurred and results from internal and external inspections of auditors.

The Group has established a whistle-blowing policy which sets out the procedures for the Group's employees to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers. The Audit Committee is tasked with investigating whistleblowing reports made in good faith and in confidence, and will address the issues and/or concerns raised, and ensure that necessary arrangements are in place for the independent investigation of issues and/or concerns raised by employees and for appropriate follow-up actions. The identity of the whistleblower is kept confidential to ensure protection of the whistleblower against detrimental or unfair treatment. Details of the whistle-blowing policies and arrangements have been made available to the Group's employees. The Audit Committee is responsible for oversight and monitoring of whistleblowing on an ongoing basis. There were no whistleblowing reports received during FY2024 till the date of this report.

The Audit Committee takes measures to keep abreast of the changes to accounting standards and issues which have direct impact on financial statements, with training conducted by professional or external consultants.

3.4. Internal Audit

The Board recognises the importance of maintaining an internal audit function to maintain a sound system of internal control within the Group to safeguard shareholders' investments and the Company's assets. The Audit Committee has the responsibility to review annually the adequacy and effectiveness of the internal audit function, review the internal audit program and ensure co-ordination between the internal auditor, external auditor and Management, and ensure that the internal auditor carries out its function according to the standards set by nationally or internationally recognised professional bodies, in particular, the Standards for Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The Audit Committee will also approve the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.

The Audit Committee has appointed Yang Lee & Associates as its out-sourced internal auditor to provide internal audit function for the Group for FY2024. The objective of the internal audit function is to provide an independent review on the adequacy and effectiveness of the Group's internal controls and provide reasonable assurance to the Audit Committee on the Group's controls and governance processes. The internal auditor has unfettered access to all the Company's documents, records, properties and personnel, including access to the Audit Committee. The primary reporting line of the internal audit function is to the Audit Committee. An annual internal audit plan which entails the review of the effectiveness of the Group's controls has been developed by the internal auditor. The Audit Committee is satisfied that the internal audit function is independent, effective and adequately resourced to address the financial, operational and compliance risks, information technology risk and has the appropriate standing within the Group. The Audit Committee meets with the internal auditors, without the presence of management, at least annually.

4. SHAREHOLDERS RIGHTS AND ENGAGEMENT

4.1. Shareholders Rights and Conduct of General Meetings

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

In line with the continuous disclosure obligations of the Company pursuant to the Catalist Rules and the Companies Act, it is the Board's policy to ensure that all shareholders are informed regularly and on a timely basis of every significant development that has an impact on the Group.

CORPORATE GOVERNANCE

Pertinent information about the Company's business development and financial performance is communicated to shareholders on a regular and timely basis via SGXNet announcements and news releases. The Group also maintains a website at <http://www.acesian.com>, at which shareholders can access information on the Group. The website provides, *inter alia*, corporate announcements, press releases and profiles of the Group.

In presenting the annual financial statements and announcements of financial results to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. The financial results for the half year and full year are released to shareholders within 45 and 60 days of the half year end and full year end, respectively.

The Company ensures that true and fair information is delivered adequately to all shareholders, and that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders.

All shareholders of the Company will receive annual reports and are informed of shareholders' meetings through notices published on the SGXNet and reports or circulars sent to all shareholders. Save for nominee companies, any shareholder who is unable to attend is allowed to appoint up to two proxies to vote on his behalf at the meeting through proxy forms sent in advance. Nominee shareholders are allowed to appoint more than two proxies to allow for shareholders who hold shares through such nominee companies to attend and participate in the meetings of the Company as proxies.

At the AGM, the shareholders of the Company will be given the opportunity to voice their views and direct to the Directors or the Management questions relating to the resolutions during the AGM. At the Company's general meetings, each distinct issue is proposed as a separate resolution, and all resolutions are put to vote by poll in compliance with Rule 730A(2) of the Catalyst Rules, the proceedings of which is explained by the appointed scrutineer at the general meetings of shareholders.

The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved. Having undertaken a cost-benefit analysis, the Company has decided not to undertake electronic polling at this juncture. However, the Company will consider e-polling services in due course.

The Chairman of the Board and the respective Chairman of each of the Board Committees, Management and the external auditors are intended to be in attendance at the forthcoming AGM. All the Directors (except Mr. Neo Gim Kiong) had attended the AGM held on 25 April 2024.

After the AGM, the Company will make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentage, and will prepare minutes of the AGM. Such minutes will be published on its corporate website and on the SGXNet.

The Company does not have a fixed policy on payment of dividends. Instead, the issue of the payment of dividends is deliberated seriously and at length by the Board annually having regard to various factors. Where dividends are not paid, the Company discloses the reasons. No dividend has been declared or recommended for the twelve months ended 31 December 2024 as the Company has accumulated losses as at 31 December 2024.

4.2 Engagement with Shareholders

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Board establishes and maintains regular dialogue with its shareholders, to gather views or inputs and to address shareholders' concerns. The AGM of the Company is the principal forum for dialogue and interaction with all shareholders. Shareholders are invited at such meetings to put forth any questions they may have on the motions to be debated and decided upon.

CORPORATE GOVERNANCE

The Company did not engage a dedicated investor relations team but has in place an investor relations policy to provide for a mechanism through which shareholders may communicate effectively with the Company. The Company also has personnel dedicated to handle investor queries and deal with all matters related to investor relations. Shareholders may contact the Company with their questions via emails and phone calls, and the Company will respond to such questions in a timely manner.

5. MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

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

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 Company has regularly engaged its stakeholders and used a variety of channels to assess and identify stakeholders as groups that have an impact on, or have potential to be impacted by, the Company's business.

The primary focus is on the business operations in Singapore and Malaysia and on issues that impact business growth and are of utmost importance to the stakeholders of the Company.

The Company has performed a materiality analysis to identify challenges and issues that are important to stakeholders and are relevant to the businesses. The identified stakeholders are customers, employees, investors, shareholders and regulators.

The Company has undertaken efforts to determine the key principles of environment, social and governance (ESG) factors and incorporate them into the businesses. Having considered sustainability issues as part of its strategic formulation, the Company has determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

The details on the Company's approach to stakeholder engagement and materiality assessment are disclosed in the Sustainability Report of this Annual Report for FY2024.

The Company has maintained a corporate website to communicate and engage with stakeholders. Apart from communicating through email or phone calls, stakeholders may also submit enquiry forms via the Company's website to ask questions and receive responses in a timely manner.

ADDITIONAL INFORMATION

6. DEALING IN SECURITIES

In line with Rule 1204 (19) of the Catalist Rules on Dealing in Securities, the Company issues circulars to its Directors and employees, to remind them that (i) they should not deal in shares of the Company on short-term considerations or if they are in possession of unpublished material price-sensitive information; and (ii) they are required to report on their dealings in shares of the Company. The Directors and employees are also reminded of the prohibition in dealing in shares of the Company one month before the release of the half year and full year financial results and ending on the date of the announcement of the relevant results. The Company has complied with the said Rule during FY2024.

Directors and officers are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period.

CORPORATE GOVERNANCE

7. MATERIAL CONTRACTS

Save as disclosed above, there was no material contract entered into by the Company or any of its subsidiary companies involving the interest of the Managing Director, any Director, or controlling shareholder, which are either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.

8. INTERESTED PERSON TRANSACTIONS ("IPTs")

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Audit Committee and that transactions are conducted on an arm's length basis that are not prejudicial to the interests of the shareholders. When a potential conflict of interest occurs, the Director concerned will be excluded from discussions and refrain from exercising any influence over other members of the Board.

There were no significant IPTs conducted under the general mandate of or over S\$100,000 in value during the period ended 31 December 2024. There are no other IPTs conducted during FY2024, which exceeds S\$100,000 in value.

The Group has obtained a General Mandate for Interested Person Transactions on 25 April 2024.

9. RISK MANAGEMENT

The Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the Directors and the Audit Committee.

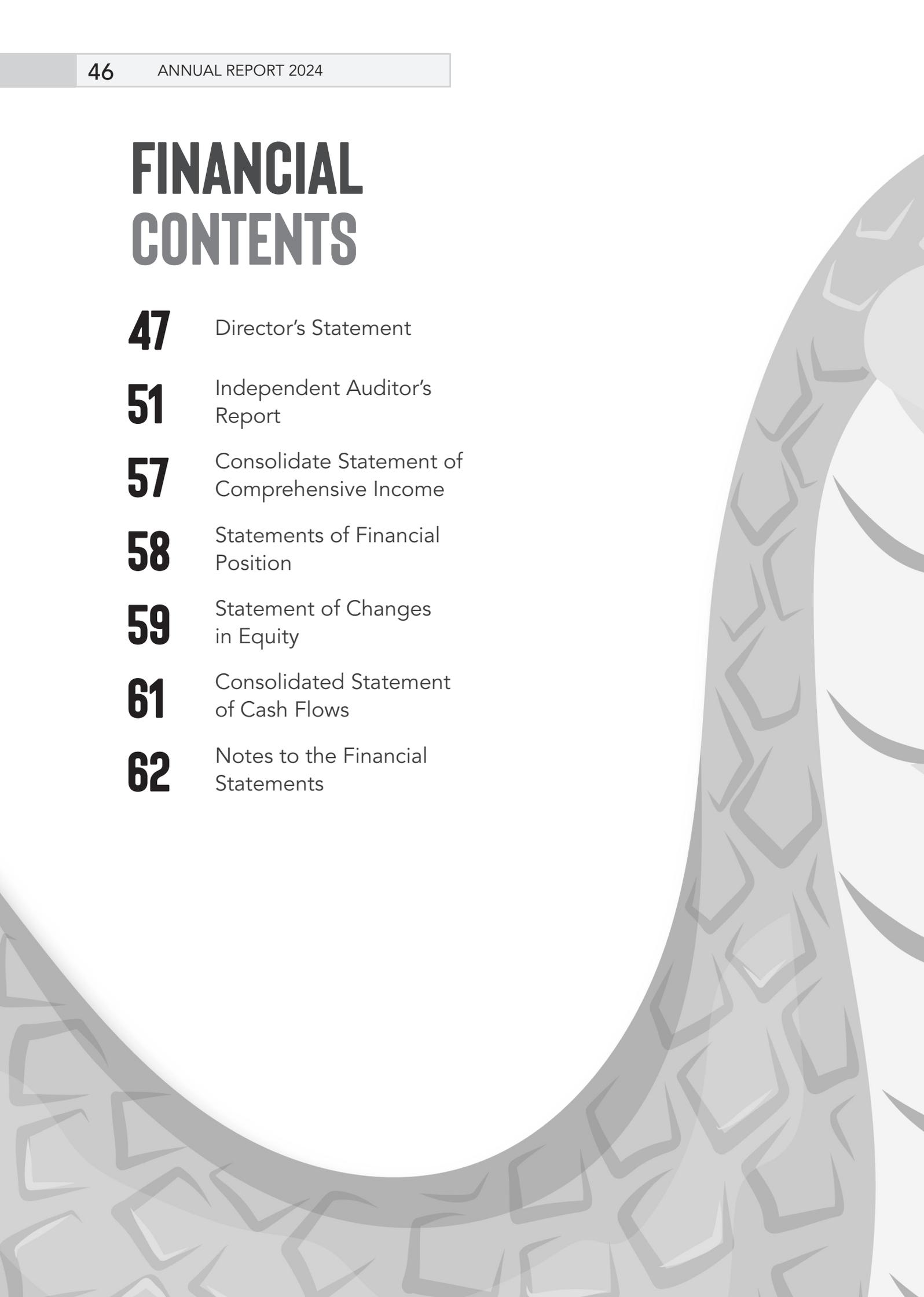
10. NON-SPONSORS FEES

The Company has appointed Asian Corporate Advisors Pte. Ltd. ("**ACA**") as the Company's Continuing Sponsor with effect from 30 May 2019.

The Directors and Management of the Company would consult ACA on all material matters relating to compliance with the Catalist Rules, listing and quotation of its securities and documents to be released to shareholders, to ensure that such documents are in compliance with the Catalist Rules and proper disclosures are made.

There is no non-sponsor fee paid by the Company to ACA during FY2024.

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DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Acesian Partners Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") and the statement of changes in equity of the Company for the financial year ended 31 December 2024 and the statement of financial position of the Company as at 31 December 2024.

Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year then ended in accordance with the provisions of the Companies Act 1967 (the "**Act**") and the Singapore Financial Reporting Standards (International) ("**SFRS(I)s**"); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Loh Yih
Neo Gim Kiong
Ho Ta-Huang
Quek Pok Yeow, Stephen (Appointed on 5 July 2024)

Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Other than as disclosed under "Share options" in this statement, 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 of any other body corporate.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

Directors' interest in shares or 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 Act except as follows:

Name of corporation: Acesian Partners Limited	Shareholdings registered in the name of director		Shareholdings in which directors are deemed to have an interest			
	Number of ordinary shares fully paid					
	At the beginning of financial year or date of appointment, if later	Acquisition/ (Disposal)	At the end of financial year	At the beginning of financial year	Acquisition/ (Disposal)	At the end of financial year
Loh Yih ⁽¹⁾	100,877,558	–	100,877,558	47,380,000	–	47,380,000
Ho Ta-Huang ⁽²⁾	–	–	–	45,583,000	–	45,583,000
Quek Pok Yeow, Stephen ⁽³⁾⁽⁴⁾	8,600,000	–	8,600,000	1,000,000	–	1,000,000

⁽¹⁾ By virtue of section 7 of the Companies Act 1967, Mr. Loh Yih is deemed to have an interest in the 47,380,000 shares held by Cavangh Group Pte. Ltd.

⁽²⁾ By virtue of section 7 of the Companies Act 1967, Mr. Ho Ta-Huang is deemed to have an interest in the 45,583,000 shares held by Chern Dar Enterprise Co. Ltd.

⁽³⁾ Director's interest in shares at the date of appointment on 5 July 2024.

⁽⁴⁾ By virtue of section 7 of the Companies Act 1967, Mr. Quek Pok Yeow, Stephen, is deemed to have an interest in the 1,000,000 shares held by his spouse.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2025.

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

Share options

Acesian Performance Bonus Share Plan 2022 (the "PSP 2022")

At the Extraordinary General Meeting held on 27 April 2022, the members of the Company approved the PSP 2022, for granting of incentive share awards to employees (including executive directors) and non-executive directors of the Group.

The PSP 2022 is administered by the Remuneration Committee whose members are Low Ka Choon Kevin (Chairman) (resigned on 25 April 2024), Quek Pok Yeow, Stephen (Chairman) (appointed on 5 July 2024), Neo Gim Kiong and Ho Ta-Huang (or such other committee comprising Directors duly authorised and appointed by the Board) with such powers and duties as are conferred to it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of awards granted or to be granted to him or held by him.

The PSP 2022 shall continue to be in force at the discretion of the Remuneration Committee for a period of ten years from 27 April 2022. However, the period may be extended or terminated with the approval of shareholders by ordinary resolution at a general meeting of the Company and of any relevant authorities which may then be required.

A participants' award under the PSP 2022 will be determined at the sole discretion of the Remuneration Committee. In considering an award to be granted to a participant, the Remuneration Committee may take into account, *inter alia*, the participant and/or contributions to the Group.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

Share options (continued)

Acesian Performance Bonus Share Plan 2022 (the "PSP 2022") (continued)

Awards granted under the PSP 2022 will typically vest only after the satisfactory completion of the Performance Conditions and/or other conditions such as vesting period(s) applicable for the release of the awards.

Under the PSP 2022, the vesting period will be one year from the date of grant. Upon vesting of the award, the number of shares which are subject to the award will be credited to the participants Central Depository (Pte) Limited ("CDP") account. The grant price is based on the market price of the Company's shares on the Singapore Exchange Securities Trading Limited on the date of grant.

Number of share awards of ordinary shares of the Company

Date of Grant	At the beginning of financial year	Granted	Cancelled/ Lapsed	Vested/ Exercised	At the end of financial year	Grant price per share	Vesting period
						\$	
17 May 2023	1,431,378	–	–	(1,431,378)	–	0.056	17 May 2023 to 16 May 2024

No performance shares were granted/awarded during the current financial year.

Since the commencement of the PSP 2022 to the end of the current financial year, there were no performance shares granted/awarded to:

- (i) directors of the Company; and
- (ii) participants who are controlling shareholders of the Company and their associates (as defined in the Catalist Rules).

No participants receive 5% or more of the total number of performance shares available under the PSP 2022.

No performance shares were granted/awarded at discount during the current financial year.

In respect of share awards granted to employees of related corporations, a total of 1,101,914 shares (2023: 2,115,128 shares) representing the total shares granted to employees of related corporations from the commencement of the PSP 2022 to the end of the financial year.

Audit Committee

The members of the Audit Committee at the date of this statement are:

Neo Gim Kiong (Chairman)
Ho Ta-Huang
Quek Pok Yeow, Stephen (Appointed on 5 July 2024)

The Audit Committee ("AC") carried out its functions in accordance with Section 201B (5) of the Act, the SGX Listing Manual and Code of Corporate Governance, which include inter alia the following:

- Reviewed the significant financial reporting issues and judgements so as to ensure the integrity of the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company;
- Reviewed the half yearly and annual financial results announcement and the independent auditor's report on the year end consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company before their submission to the Board of Directors for approval;

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

Audit Committee (continued)

- Reviewed the adequacy and effectiveness of the Group's and Company's internal controls and risk management systems;
- Reviewed the adequacy, effectiveness, independence, scope and results of the external audit and the internal audit function, including the nature and extent of non-audit services provided by the external auditor, if any;
- Met with the internal and external auditors of the Group and Company to review their audit plan and discuss the results of their respective examinations and their evaluation of the Group's and Company's system of internal accounting controls without the presence of the Group's and Company's Management;
- Considered and recommended to the Board of Directors on re-appointment of the external and internal auditors, and approved the remuneration and terms of engagement of the external and internal auditors;
- Reviewed the external and internal auditor's reports;
- Reviewed the co-operation given by the Group's and Company's management to the external and internal auditors;
- Reviewed and approved interested persons transactions falling within the scope of Chapter 9 of the Catalist Rules;
- Reviewed and established procedures for receipt, retention and treatment of complaints received regarding, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group.

The AC confirmed that there are no non-audit services provided by the external auditor to the Group. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the year. In performing its function, the AC has also met with the internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance in the Company's Annual Report.

The Audit Committee has recommended to the Board the nomination of the independent auditor, PKF-CAP LLP for re-appointment as external auditor of the Company at the forthcoming Annual General Meeting.

Auditor

The independent auditor, PKF-CAP LLP, has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Loh Yih
Director

Neo Gim Kiong
Director

19 March 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Acesian Partners Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Acesian Partners Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 57 to 105.

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 Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 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 ("**ACRA**") *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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT

To the Members of Acesian Partners Limited

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Valuation of inventories at the lower of cost and net realisable value
(Refer to Notes 2.10, 3.2 (a) and 13 to the financial statements)

The Group's inventories totalled \$2,998,130 (2023: \$3,754,431) which accounted for 11.6% (2023: 12.7%) of the Group's total assets as at 31 December 2024. Write-down of inventories to their net realisable values charged to profit or loss and the reversal of previous write-downs credited to profit or loss for the current financial year amounted to \$55,956 (2023: \$55,227) and \$3,931 (2023: \$62,128) respectively for the year ended 31 December 2024.

The write down to net realisable value for slow-moving and obsolete inventories is considered a key audit matter as it requires management to exercise judgement in identifying slow-moving and obsolete inventories and making estimates of the net realisable value to determine the appropriate level of write-down required. Any significant changes in anticipated future selling prices and saleability may affect the valuation of inventories.

Our audit procedures included, among others:

- Obtained an understanding of management's policy and process for the identification of slow-moving and obsolete inventories through enquiry and observation.
- Attended the year-end physical inventory stockcount and observed the physical condition of the inventories to identify whether there are physical signs of inventory obsolescence and damages.
- Checked the computation of inventory costing which includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- Obtained management's assessment of slow-moving and obsolete inventories as at end of reporting period and evaluated whether the Group's policy on writing down to net realisable value was consistently applied and remained appropriate during the financial year.
- Tested on a sample basis about whether inventories are recorded at the lower of cost and net realisable value by comparing the recorded unit cost of inventories against recent or subsequent selling prices.
- Checked inventory ageing prepared by management including the test of inventory ageing for accuracy.
- Performed analytical review procedures such as comparing the inventory turnover ratio in current year compared with prior year as well as comparing current year inventory balances by category with prior year.
- Assessed the adequacy of disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Acesian Partners Limited

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Impairment assessment of the Company's investment in subsidiaries
(Refer to Notes 2.8, 3.2(d) and 12 to the financial statements)

The Company's carrying amount of investment in subsidiaries amounted to \$1,268,563 (2023: \$1,268,563) which accounted for 6.3% (2023: 7.4%) of the Company's total assets as at 31 December 2024.

An impairment review is performed when there are indications of impairment. Management had carried out impairment assessment to determine whether the recoverable amount of its investment in subsidiaries is less than the respective carrying amounts using the value in use method. The value in use calculations of the subsidiaries assessed as a cash-generating unit ("**CGU**") requires management to estimate the future cash flows that the Company expect to derive from the CGU.

In estimating the future cash flows, management forecasted the future cash flows based on historical information and forecasts as well as using suitable discount rates in order to calculate the present value of the future cash flows in deriving the value in use. As the value in use exceeds the carrying amount, the investment in subsidiaries is assessed to be not impaired and it is not necessary to estimate the fair value less costs of disposal.

We identified this as a key audit matter as the estimation of the recoverable amount involved significant judgement and estimation. Management made key assumptions in respect of future market and economic conditions such as revenue growth rates based on industry growth forecasts, discount rates and long-term economic growth rates when performing the assessment.

Our audit procedures included, among others:

- Performed an evaluation of the Company's policies and procedures to identify indicators for potential impairment of the Company's investment in subsidiaries.
- Reviewed the discounted future cash flows used to assess the value in use of the CGU, including reperforming the calculations to verify the accuracy.
- Assessed the appropriateness and reasonableness of the methodology used to estimate the recoverable amount, and key assumptions including revenue growth rates based on industry growth forecasts, discount rates and long-term economic growth rates.
- Assessed and tested the key assumptions which the outcome of the impairment is most sensitive to.
- Assessed the adequacy of disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Acesian Partners Limited

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Impairment assessment of property, plant and equipment, including right-of-use assets
(Refer to Notes 2.11, 3.2(d), 11 and 22(a) to the financial statements)

The Group's carrying amount of property, plant and equipment, including right-of-use assets totalled \$2,475,403 (2023: \$2,067,490) which accounted for 9.6% (2023: 7.0%) of the Group's total assets as at 31 December 2024.

An impairment review is performed when there are indications of impairment. During the current financial year, the Group's property, plant and equipment, including right-of-use assets amounted \$1,856,034 were subjected to the impairment test. Management had carried out impairment assessment to determine whether the recoverable amount of the property, plant and equipment, including right-of-use assets are less than the respective carrying amounts using the value in use method. The value in use calculations of the CGU of the property, plant and equipment, including right-of-use assets requires management to estimate the future cash flows that the Group expect to derive from the assets.

In estimating the future cash flows, management forecasted the future cash flows based on historical information and forecasts as well as using suitable discount rates in order to calculate the present value of the future cash flows in deriving the value in use. As the value in use exceeds the carrying amount, the property, plant and equipment, including right-of-use assets are assessed to be not impaired and it is not necessary to estimate the fair value less costs of disposal.

We identified this as a key audit matter as the estimation of the recoverable amount involved significant judgement and estimation. Management made key assumptions in respect of future market and economic conditions such as revenue growth rates based on industry growth forecasts, discount rates and long-term economic growth rates when performing the assessment.

Our audit procedures included, among others:

- Performed evaluation of the Group's policies and procedures to identify indicators for potential impairment of the property, plant and equipment, including right-of-use assets.
- Reviewed the discounted future cash flows used to assess the value in use of the CGU to which the property, plant and equipment, including right-of-use assets is allocated for impairment testing, including reperforming the calculations to verify the accuracy.
- Assessed the appropriateness and reasonableness of the methodology used to estimate the recoverable amount, and key assumptions including revenue growth rates based on industry growth forecasts, discount rates and long-term economic growth rates used by management.
- Assessed and tested the key assumptions which the outcome of the impairment is most sensitive to.
- Assessed the adequacy of disclosures made in the financial statements.

Other Information

Management is responsible for other information. The other information comprises the information included in the Annual Report 2024, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

To the Members of Acesian Partners Limited

Report on the Audit of the Financial Statements (continued)

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Acesian Partners Limited

Report on the Audit of the Financial Statements (continued)

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

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, actions taken to eliminate threats or safeguards applied.

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 Tang Hui Lin.

PKF-CAP LLP

Public Accountants and
Chartered Accountants

Singapore
19 March 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Note	The Group	
		2024 \$	2023 \$
Revenue	4(a)	7,836,481	15,788,623
Cost of sales		(4,548,495)	(7,398,326)
Gross profit		3,287,986	8,390,297
Other operating income	5	108,021	187,591
Other gain	5.1	–	4,004,447
Administrative expenses		(2,656,064)	(3,707,154)
Other expenses		(754,413)	(1,121,785)
Finance income	6	579,097	602,257
Finance costs	6	(49,621)	(29,333)
Profit before tax	7	515,006	8,326,320
Income tax expense	9	(8,212)	(771,450)
Profit for the year		506,794	7,554,870
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Foreign exchange differences on translation of foreign operations		136,353	75,315
Total comprehensive income for the year, net of tax		643,147	7,630,185
Profit attributable to:			
Owners of the Company		504,982	7,456,229
Non-controlling interests		1,812	98,641
		506,794	7,554,870
Total comprehensive income attributable to:			
Owners of the Company		644,024	7,493,943
Non-controlling interests		(877)	136,242
		643,147	7,630,185
Earnings per share attributable to owners of the Company (cents per share):	10		
- Basic		0.11	1.55
- Diluted		0.11	1.55

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Note	The Group		The Company	
		2024	2023	2024	2023
		\$	\$	\$	\$
Assets					
Non-current assets					
Property, plant and equipment	11	2,475,403	2,067,490	619,369	100,553
Investment in subsidiaries	12	–	–	1,268,563	1,268,563
		2,475,403	2,067,490	1,887,932	1,369,116
Current assets					
Inventories	13	2,998,130	3,754,431	–	–
Trade and other receivables	14	1,787,486	3,229,699	2,647,663	1,819,509
Contract assets	4(b)	101,926	1,066,792	–	–
Prepaid operating expenses		95,051	72,312	48,057	14,134
Fixed deposits pledged	15	63,251	88,085	–	30,000
Cash and cash equivalents	16	18,388,708	19,237,508	15,608,203	13,876,748
		23,434,552	27,448,827	18,303,923	15,740,391
Total assets		25,909,955	29,516,317	20,191,855	17,109,507
Equity and liabilities					
Current liabilities					
Trade and other payables	17	1,138,287	3,103,876	955,854	1,512,300
Contract liabilities	4(b)	286,263	2,070,677	–	–
Income tax payable		29,913	704,917	28,715	27,001
Lease liabilities	18	264,128	219,102	92,703	101,167
		1,718,591	6,098,572	1,077,272	1,640,468
Non-current liability					
Lease liabilities	18	1,169,980	811,394	519,345	–
		1,169,980	811,394	519,345	–
Total liabilities		2,888,571	6,909,966	1,596,617	1,640,468
Equity					
Share capital	19	20,321,774	20,321,774	20,321,774	20,321,774
Treasury shares	19	(1,177,042)	(998,999)	(1,177,042)	(998,999)
Share-based payment reserve	19	–	50,071	–	50,071
Retained earnings/ (Accumulated losses)		4,947,576	4,442,594	(549,494)	(3,903,807)
Foreign currency translation reserve	20	(1,312,480)	(1,451,522)	–	–
Attributable to owners of the Company		22,779,828	22,363,918	18,595,238	15,469,039
Non-controlling interests		241,556	242,433	–	–
Total equity		23,021,384	22,606,351	18,595,238	15,469,039
Total equity and liabilities		25,909,955	29,516,317	20,191,855	17,109,507

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

The Group	Note	Attributable to owners of the Company							Total	Non-controlling interests	Total
		Share capital	Treasury shares	Share-based payment reserve	(Accumulated losses)/ Retained earnings	Foreign currency translation reserve	Total	Total			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
Balance at 1 January 2023		20,321,774	(196,288)	-	(3,013,635)	(1,489,236)	15,622,615	106,191	15,728,806		
Profit for the year		-	-	-	7,456,229	-	7,456,229	98,641	7,554,870		
Other comprehensive income											
Exchange difference on translation of foreign operations, net of tax		-	-	-	-	37,714	37,714	37,601	75,315		
Total comprehensive income for the year		-	-	-	7,456,229	37,714	7,493,943	136,242	7,630,185		
Transaction with owners, recognised directly in equity											
Purchase of treasury shares	19	-	(802,711)	-	-	-	(802,711)	-	(802,711)		
Equity-settled share-based payment	19	-	-	50,071	-	-	50,071	-	50,071		
Balance at 31 December 2023		20,321,774	(998,999)	50,071	4,442,594	(1,451,522)	22,363,918	242,433	22,606,351		
Balance at 1 January 2024		20,321,774	(998,999)	50,071	4,442,594	(1,451,522)	22,363,918	242,433	22,606,351		
Profit for the year		-	-	-	504,982	-	504,982	1,812	506,794		
Other comprehensive income											
Exchange difference on translation of foreign operations, net of tax		-	-	-	-	139,042	139,042	(2,689)	136,353		
Total comprehensive income/(loss) for the year		-	-	-	504,982	139,042	644,024	(877)	643,147		
Transactions with owners, recognised directly in equity											
Purchase of treasury shares	19	-	(258,200)	-	-	-	(258,200)	-	(258,200)		
Equity-settled share-based payment	19	-	-	30,086	-	-	30,086	-	30,086		
Performance bonus shares - Treasury shares re-issued	19	-	80,157	(80,157)	-	-	-	-	-		
Balance at 31 December 2024		20,321,774	(1,177,042)	-	4,947,576	(1,312,480)	22,779,828	241,556	23,021,384		

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

The Company	Note	Share capital \$	Treasury shares \$	Share-based payment reserve \$	Accumulated losses \$	Total \$
Balance at 1 January 2023		20,321,774	(196,288)	–	(9,068,572)	11,056,914
Profit for the year representing total comprehensive income for the year		–	–	–	5,164,765	5,164,765
<u>Transactions recognised directly in equity</u>						
Purchase of treasury shares	19	–	(802,711)	–	–	(802,711)
Equity-settled share-based payment	19	–	–	50,071	–	50,071
Balance at 31 December 2023		<u>20,321,774</u>	<u>(998,999)</u>	<u>50,071</u>	<u>(3,903,807)</u>	<u>15,469,039</u>
Balance at 1 January 2024		20,321,774	(998,999)	50,071	(3,903,807)	15,469,039
Profit for the year representing total comprehensive income for the year		–	–	–	3,354,313	3,354,313
<u>Transactions recognised directly in equity</u>						
Purchase of treasury shares	19	–	(258,200)	–	–	(258,200)
Equity-settled share-based payment	19	–	–	30,086	–	30,086
Performance bonus shares - Treasury shares re-issued	19	–	80,157	(80,157)	–	–
Balance at 31 December 2024		<u>20,321,774</u>	<u>(1,177,042)</u>	<u>–</u>	<u>(549,494)</u>	<u>18,595,238</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Note	The Group	
		2024 \$	2023 \$
Operating activities			
Profit before tax		515,006	8,326,320
Adjustments for:			
Depreciation of property, plant and equipment	7	534,938	723,229
Allowance for impairment loss on trade and other receivables	7	–	62,638
Impairment loss on trade receivables written back	7	(4,640)	–
Interest expense	6	49,621	29,333
Interest income	6	(579,097)	(602,257)
Investment income	5	–	(19,150)
Loss/(Gain) on disposal and written off of property, plant and equipment	7	12,217	(4,261)
Inventories written down/(back), net	7	52,025	(6,901)
Share-based payment	19	30,086	50,071
Gain on deconsolidation of a subsidiary	5.1	–	(2,781,287)
Write-back of long outstanding trade and other payables	5.1	–	(1,223,160)
Unrealised exchange differences		129,791	228,379
Operating cash flows before changes in working capital		739,947	4,782,954
Inventories		704,276	505,725
Trade and other receivables, contract assets and prepaid operating expenses		2,388,980	(574,813)
Trade and other payables and contract liabilities		(3,750,003)	(1,905,498)
Cash flows generated from operations		83,200	2,808,368
Interest received		579,097	602,257
Income taxes paid		(683,911)	(1,143,159)
Net cash flows (used in)/generated from operating activities		(21,614)	2,267,466
Investing activities			
Deconsolidation of a subsidiary, net of cash disposed of	12	–	(1,839)
Purchase of investment securities	5	–	(980,850)
Proceeds from sale of investment securities	5	–	1,000,000
Purchase of property, plant and equipment	11	(245,735)	(71,149)
Proceeds from disposal of property, plant and equipment		–	1,074
Net cash flows used in investing activities		(245,735)	(52,764)
Financing activities			
Decrease in fixed deposits pledged		24,834	2,124
Repayment of lease liabilities	18	(317,060)	(462,579)
Purchase of treasury shares	19	(258,200)	(802,711)
Interest paid	18	(49,621)	(29,333)
Net cash flows used in financing activities		(600,047)	(1,292,499)
Net (decrease)/increase in cash and cash equivalents		(867,396)	922,203
Effects of currency translation on cash and cash equivalents		18,596	(177,957)
Cash and cash equivalents at the beginning of the year		19,237,508	18,493,262
Cash and cash equivalents at the end of the year	16	18,388,708	19,237,508

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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

1 General information

Acesian Partners Limited (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The registered office and principal place of business of the Company is located at 33 Mactaggart Road, #04-00 Lee Kay Huan Building, Singapore 368082.

The principal activities of the Group consist of design, manufacture and supply of critical airflow and related products and investment holding. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

2 Material accounting policy information

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”).

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

The financial statements are presented in Singapore Dollars (“**SGD**” or “**\$**”), unless otherwise indicated.

2.2 Adoption of new and amended SFRS(I) and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2024. The adoption of these standards did not have any material effect on the Group’s financial statements.

2.3 Standards issued but not yet effective

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:

	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to SFRS(I) 9 and SFRS(I) 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to SFRS(I)s – Volume 11	1 January 2026
SFRS(I) 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
SFRS(I) 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 Material accounting policy information (continued)

2.3 Standards issued but not yet effective (continued)

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

SFRS(I)18 Presentation and Disclosure in Financial Statements

SFRS(I)18 replaces SFRS(I) 1-1, carrying forward many of the requirements in SFRS(I)1-1 unchanged and complementing them with new requirements. In addition, some SFRS(I)1-1 paragraphs have been moved to SFRS(I)1-8 and SFRS(I)1-7. Furthermore, minor amendments to SFRS(I)1-7 and SFRS(I)1-33 *Earnings per Share* have been made.

SFRS(I)18 introduces new requirements to:

- i) Present specified categories and defined subtotals in the statement of profit or loss
- ii) Provide disclosures on management-defined performance measures (“MPMs”) in the notes to the financial statements
- iii) Improve aggregation and disaggregation.

An entity is required to apply SFRS(I)18 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to SFRS(I)1-7 and SFRS(I)1-33, as well as the revised SFRS(I)1-8 and SFRS(I)7, become effective when an entity applies SFRS(I)18. SFRS(I)18 requires retrospective application with specific transition provisions.

2.4 Basis of consolidation and business combinations

a) Basis of consolidation

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

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

b) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the period in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 Material accounting policy information (continued)

2.4 Basis of consolidation and business combinations (continued)

b) Business combinations (continued)

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

c) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest ("NCI") and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

2.5 Transactions with non-controlling interests

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

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

2.6 Foreign currency

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

a) Transactions and balances

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 Material accounting policy information (continued)

2.6 Foreign currency (continued)

b) Translation of Group entities' financial statements

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

2.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is computed using the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

Buildings	2 – 6 years
Furniture and fittings	3 – 10 years
Plant and machineries	3 – 10 years
Renovation	3 – 10 years
Motor vehicles	5 – 6 years
Computers and office equipment	2 – 10 years

The cost of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration costs is also included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use. The carrying amounts of property, plant and equipment are reviewed yearly in order to assess whether their carrying amounts need to be written down to recoverable amounts. Recoverable amount is defined as the higher of value in use and fair value less cost to sell.

The residual value, useful life and depreciation method are reviewed at each reporting date, and adjusted prospectively, if appropriate. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 Subsidiaries

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 Material accounting policy information (continued)

2.9 Related parties

A related party is defined as follows:

- a) A person or a close member of that person's family is related to the Group and Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition which are accounted for as follows:

- Raw materials and work-in-progress: First-in-first-out method
- Finished goods: Weighted average method

The cost of finished goods and work-in-progress comprises direct materials and labour and apportioned manufacturing overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 Material accounting policy information (continued)

2.11 Impairment of non-financial assets

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

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

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

2.12 Financial instruments

a) Financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement

Except for investment in treasury bills which is measured at fair value through other comprehensive income ("FVOCI"), all the financial assets of the Group are measured at amortised cost during the reporting period and as at reporting date.

Amortised cost

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

Debt investments at FVOCI

These assets are subsequently measured at fair value, interest income calculated under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 Material accounting policy information (continued)

2.12 Financial instruments (continued)

a) Financial assets (continued)

De-recognition

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

b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

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

2.13 Impairment of financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 Material accounting policy information (continued)

2.13 Impairment of financial assets (continued)

Definition of default

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

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, 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 there is evidence that a financial asset is credit impaired unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 Leases

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

As lessee

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

Right-of-use assets

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

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment of non-financial assets is disclosed in Note 2.11. The Group's right-of-use assets are presented within property, plant and equipment (Note 11).

Lease liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 Material accounting policy information (continued)

2.14 Leases (continued)

As lessee (continued)

Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are disclosed in Note 18.

Short-term leases and leases of low-value assets

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

2.15 Financial guarantees

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.13 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.16 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 the amount of the obligation can be made estimated reliably.

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 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.

2.17 Share capital and share issuance expenses and treasury shares

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

When the Group purchases the Company's ordinary shares ("**treasury shares**"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 Material accounting policy information (continued)

2.17 Share capital and share issuance expenses and treasury shares (continued)

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the share are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

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

2.18 Employee benefits

a) Defined contribution plans

The Company and the Group contribute to the Central Provident Fund (“**CPF**”) or equivalent fund, a defined contribution plan regulated and managed by the Government of Singapore or other authorities, which applies to the majority of the employees. The Company’s and the Group’s contributions to CPF or equivalent are recognised to the profit or loss in the period to which the contributions relate.

b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.19 Taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 Material accounting policy information (continued)

2.19 Taxes (continued)

b) Deferred tax (continued)

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

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

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

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

Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset 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.

c) Goods and Services Tax ("GST")

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 Material accounting policy information (continued)

2.20 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the goods or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

a) **Critical airflow design and supply revenue (Renamed from Manufacturing, distribution and services revenue)**

Critical airflow design and supply revenue relates to revenue generated from the design, manufacture and supply of critical airflow and related products including Ethylene Tetrafluoroethylene ("ETFE") coated ducts, uncoated stainless steel ducts and critical airflow systems which will be integrated with third-party equipment such as fume-hoods, scrubbers and fans for a complete environment-control system.

Revenue is recognised when the goods are delivered to the customer (i.e. at a point in time). The amount of revenue recognised is the amount of consideration to which the Group expects to be entitled in exchange for transferring the goods to the customer.

b) **Engineering services revenue**

The Group sells and installs electronic equipment. The sale of equipment and rendering of installation service are either sold separately, or in bundled packages where discounts are provided to customers. For bundled packages, the Group accounts for the sale of equipment and installation service separately. The transaction price is allocated to the sale of equipment and installation services based on their relative stand-alone selling prices.

For the sale of equipment, revenue is recognised upon delivery of the equipment to the customer and accepted by the customer (i.e. at a point in time) and the collectability of the related receivable is reasonably assured.

For the installation of the equipment, revenue is recognised at a point in time upon completion of installation and acceptance by customer.

The Group offers maintenance services to customers. The Group accounts for maintenance services as a separate performance obligation. Revenue is recognised over time over the maintenance period.

c) **Interest income**

Interest income is recognised using the effective interest method.

2.21 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions have been complied with.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income. Government grants relating to assets are deducted against the carrying amount of the assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 Material accounting policy information (continued)

2.22 Contingencies

A contingent liability is:

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

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

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

2.23 Cash and cash equivalents

Cash and cash equivalents comprise fixed deposits, cash at banks and on hand which are subject to an insignificant risk of changes in value.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 27, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserves.

For cash-settled share-based payments, a liability is measured initially at the fair value and recognised over the period in which the employees have rendered their services. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

2.26 Borrowing costs

Borrowing costs are recognised in profit or loss over the period of borrowing using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3 Significant accounting judgements and estimates

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

3.1 Judgements made in applying accounting policies

Determination of lease term of contracts with extension options

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

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

The Group and the Company included the extension option in the lease term for leases of leasehold buildings because of the leasehold improvements made and the significant costs that would arise to replace the assets.

3.2 Key sources of estimation uncertainty

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

a) Write down for slow-moving and obsolete inventories

The determination of allowance for inventory write down to net realisable value requires management to exercise judgement in identifying slow-moving and obsolete inventories and make estimates of write down required.

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value.

The Group carried out a review of inventories to determine the write down for slow-moving inventories and whether inventories are stated at the lower of cost and net realisable value. The Group's write down for inventories as at 31 December 2024 and 2023 are disclosed in Note 13.

b) Provision for Expected Credit Losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3 Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty (continued)

b) Provision for Expected Credit Losses of trade receivables and contract assets (continued)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstance and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 25.1.

The carrying amount of trade receivables (Note 14) and contract assets (Note 4(b)) of the Group as at 31 December 2024 are \$755,575 and \$101,926 (2023: \$2,706,404 and \$1,066,792) respectively.

c) Leases – estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore it uses incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

d) Impairment assessment on non-financial assets

An assessment is made for the reporting year whether there is any indicator that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal or value in use calculations. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amounts of property, plant and equipment, investment in subsidiaries and right-of-use assets as at 31 December 2023 and 31 December 2024 are disclosed in Note 11, Note 12 and Note 22(a) respectively.

4 Revenue

(a) Disaggregation of revenue

	The Group	
	2024	2023
	\$	\$
Main revenue streams:		
Engineering services	82,837	162,170
Critical airflow design and supply	7,753,644	15,626,453
	<u>7,836,481</u>	<u>15,788,623</u>
Timing of transfer of goods or services		
At a point in time	7,811,120	15,673,825
Over time	25,361	114,798
	<u>7,836,481</u>	<u>15,788,623</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4 Revenue (continued)

(b) Receivables, contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers are disclosed as follows:

	The Group	
	2024	2023
	\$	\$
Receivables from contracts with customers (Note 14)	755,575	2,706,404
Contract assets	101,926	1,066,792
Contract liabilities	<u>(286,263)</u>	<u>(2,070,677)</u>

In 2023, the Group recognised impairment losses on receivables arising from contracts with customers amounting to \$62,638 (Note 25.1).

Contract assets primarily relate to the Group's right to consideration for work completed or goods delivered but not yet billed at reporting date. Contract assets will be transferred to trade receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers.

Contract liabilities are recognised as revenue as the Group satisfies its performance obligation under the contract.

Significant changes in the contract assets and the contract liabilities balances are as follows:

	The Group	
	2024	2023
	\$	\$
Contract assets reclassified to trade receivables	(1,066,792)	(637,644)
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	<u>2,064,902</u>	<u>120,118</u>

(c) Transaction price allocated to remaining performance obligations

Management expects that the transaction price allocated to remaining unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2024 and 2023 may be recognised as revenue in the next reporting periods as follows:

	The Group		
	2024	2025	Total
	\$	\$	\$
Unsatisfied or partially unsatisfied performance obligations as at:			
31 December 2024	-	286,263	286,263
31 December 2023	<u>2,064,902</u>	<u>5,775</u>	<u>2,070,677</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5 Other operating income

	The Group	
	2024	2023
	\$	\$
Grant received from government	10,058	41,584
Investment income	–	19,150
Foreign exchange gain	–	32,286
Other income	97,963	94,571
	108,021	187,591

Pursuant to the approval obtained from shareholders during the Extraordinary General Meeting (“EGM”) held on 27 April 2023 for the Group to diversify into investment business, during the previous financial year ended 31 December 2023, the Group acquired 6-month Treasury Bills issued by the Singapore Government for cash consideration of \$980,850. The 6-month Treasury Bills was redeemed on the maturity date, 12 December 2023, at its face value of \$1,000,000 realising a gain of \$19,150 as disclosed above.

5.1 Other gain

	The Group	
	2024	2023
	\$	\$
Gain on deconsolidation of a subsidiary (Note 12)	–	2,781,287
Write-back of long outstanding trade and other payables	–	1,223,160
	–	4,004,447

Note

The Group has 2 subsidiaries based in China, Linair Technologies (Suzhou) Co., Ltd and Shanghai XianDa Industry Equipment Installation Co., Ltd. which have been dormant in operations since 2014. In FY2023, residing in the books of these 2 subsidiaries were long outstanding trade and other payables which have been brought forward since 2013 amounting to \$1,223,160. After having considered the formal legal advice and opinions provided, these long outstanding trade and other payables amounting to \$1,223,160 are derecognised and a gain from the write-back was recognised in FY2023 as disclosed above.

6 Finance costs and finance income

	The Group	
	2024	2023
	\$	\$
Interest expense on lease liabilities (Note 22(c))	(49,621)	(29,333)
Interest income		
- Fixed deposits	576,926	600,050
- Others	2,171	2,207
	579,097	602,257

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

7 Profit before tax

The following items have been included in arriving at profit before tax:

	The Group	
	2024	2023
	\$	\$
Audit fees paid/payable to:		
- Auditors of the Company	77,000	83,000
- Other member firm of PKF International	7,185	7,202
Non-audit fees paid to the other member firm of PKF International	1,466	–
Allowance for impairment loss on trade and other receivables	–	62,638
Impairment loss on trade receivables written back	(4,640)	–
Depreciation of property, plant and equipment (Note 11)	534,938	723,229
Directors' fees	76,175	80,000
Employee benefits expense (Note 8)	2,893,867	3,913,383
Inventories written down/(back), net (Note 13)	52,025	(6,901)
Lease expense – short term and low-value	154,778	41,029
Loss/(Gain) on disposals and written off of property, plant and equipment	12,217	(4,261)
Professional and legal fees	234,524	256,944

8 Employee benefits expense

	The Group	
	2024	2023
	\$	\$
Employee benefits expense (including directors):		
Salaries and related costs	2,710,508	3,741,347
Contributions to defined contribution plans	183,359	172,036
	2,893,867	3,913,383

The above amounts include compensation of the Company's directors (Note 21(b)).

9 Income tax expense

	The Group	
	2024	2023
	\$	\$
Current income tax		
- Current year	29,906	734,802
- (Over)/Under provision in respect of prior years	(21,694)	36,648
	8,212	771,450

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

9 Income tax expense (continued)

The tax expenses on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the Group's profit as a result of the following:

	The Group	
	2024	2023
	\$	\$
Profit before taxation	515,006	8,326,320
Tax at Singapore statutory income tax rate of 17% (2023: 17%)	87,551	1,415,474
Effect of different tax rates of overseas operations	2,649	20,020
Statutory stepped income exemption	(19,474)	(23,126)
Non-deductible expenses	10,950	9,581
Income not subject to taxation	(32,688)	(680,756)
Effect of previously unrecognised and unused tax losses and capital allowances utilised during the year	(20,659)	(5,423)
(Over)/Under provision of current tax in prior years	(21,694)	36,648
Others	1,577	(968)
	8,212	771,450

In the current and previous financial years, the unutilised tax losses arising from a subsidiary, Acesian Star Pte. Ltd. ("ASPL"), amounting to approximately \$9,500,000 (2023: \$9,500,000) which are available for offset against future taxable profits for which no deferred tax assets are recognised due to unpredictability of the future profit streams to be generated by the companies in the foreseeable future has been excluded as ASPL has been placed under liquidation.

As disclosed in Note 12 to the financial statements, ABT has been liquidated and de-consolidated from the Group in FY2023. Accordingly, the unutilised tax losses attributable to ABT amounting to approximately \$1,053,000 (2023: \$1,053,000) are no longer available to be utilised by the Group.

The utilisation of these tax losses and capital allowances is subject to the agreement of the tax authorities and compliance with the provisions of the tax legislation of the respective countries in which the companies operate.

10 Earnings per share

The basic and diluted earnings per share are calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year (excluding treasury shares). These profit and shares data are presented in the tables below.

	The Group	
	2024	2023
	\$	\$
Basic and diluted profit per share is based on:		
Net profit attributable to owners of the Company	504,982	7,456,229

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

10 Earnings per share (continued)

	Number of shares	
	2024	2023
Weighted average number of ordinary shares during the year (excluding treasury shares)	473,134,944	480,315,717
Earnings per share (cents)	0.11	1.55

11 Property, plant and equipment

The Group	Buildings	Furniture and fittings	Plant and machinery	Renovation	Motor vehicles	Computers and office equipment	Total
	\$	\$	\$	\$	\$	\$	\$
<u>Cost</u>							
At 01.01.2023	1,560,390	142,695	3,466,064	427,117	191,326	203,104	5,990,696
Additions	–	3,679	35,650	–	15,796	16,024	71,149
Modification of lease liabilities	940,262	–	–	–	–	–	940,262
Disposals/Write offs	(123,863)	–	–	–	–	–	(123,863)
Foreign exchange difference	(55,996)	(7,488)	(192,350)	(15,408)	(15,608)	(3,943)	(290,793)
At 31.12.2023	2,320,793	138,886	3,309,364	411,709	191,514	215,185	6,587,451
Additions	619,744	10,044	143,386	67,643	–	24,662	865,479
Disposals/Write offs	(316,797)	(3,136)	(221,677)	(699)	–	(781)	(543,090)
Foreign exchange difference	98,062	7,398	180,217	15,025	8,153	4,059	312,914
At 31.12.2024	2,721,802	153,192	3,411,290	493,678	199,667	243,125	7,222,754
<u>Accumulated depreciation</u>							
At 01.01.2023	1,023,184	71,458	2,496,984	264,465	71,426	150,937	4,078,454
Depreciation for the year (Note 7)	389,534	15,052	231,415	35,057	32,398	19,773	723,229
Disposals/Write offs	(65,372)	–	–	–	–	–	(65,372)
Foreign exchange difference	(41,717)	(4,155)	(147,344)	(8,931)	(12,035)	(2,168)	(216,350)
At 31.12.2023	1,305,629	82,355	2,581,055	290,591	91,789	168,542	4,519,961
Depreciation for the year (Note 7)	276,472	14,737	156,098	38,822	31,494	17,315	534,938
Disposals/Write offs	(316,797)	(2,038)	(210,981)	(280)	–	(777)	(530,873)
Foreign exchange difference	53,360	4,859	146,452	10,858	5,232	2,564	223,325
At 31.12.2024	1,318,664	99,913	2,672,624	339,991	128,515	187,644	4,747,351
<u>Net carrying amount</u>							
At 31.12.2023	1,015,164	56,531	728,309	121,118	99,725	46,643	2,067,490
At 31.12.2024	1,403,138	53,279	738,666	153,687	71,152	55,481	2,475,403

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

11 Property, plant and equipment (continued)

The Group (continued)

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 22(a).

During the current year, the cash outflow on acquisition of property, plant and equipment amounted to \$245,735 (2023: \$71,149).

The Company	Buildings \$	Furniture and fittings \$	Plant and machinery \$	Renovation \$	Computers and office equipment \$	Total \$
<u>Cost</u>						
At 01.01.2023 and 31.12.2023	316,797	11,439	55,358	113,102	93,383	590,079
Additions	619,744	8,850	–	–	–	628,594
Disposal	(316,797)	–	–	–	–	(316,797)
At 31.12.2024	619,744	20,289	55,358	113,102	93,383	901,876
<u>Accumulated depreciation</u>						
At 01.01.2023	114,399	7,967	55,358	113,102	86,368	377,194
Depreciation for the year	105,599	2,208	–	–	4,525	112,332
At 31.12.2023	219,998	10,175	55,358	113,102	90,893	489,526
Depreciation for the year	105,406	2,629	–	–	1,743	109,778
Disposal	(316,797)	–	–	–	–	(316,797)
At 31.12.2024	8,607	12,804	55,358	113,102	92,636	282,507
<u>Net carrying amount</u>						
At 31.12.2023	96,799	1,264	–	–	2,490	100,553
At 31.12.2024	611,137	7,485	–	–	747	619,369

Impairment testing of property, plant and equipment, including right-of-use assets

At the end of the reporting period, the Group carried out impairment tests at the CGU level for property, plant and equipment, including right-of-use assets with indication of impairment. Based on the assessment, no provision for impairment is necessary as the recoverable amount of the CGU to which the property, plant and equipment, including right-of-use assets belong are assessed to be higher than the carrying amount. The recoverable amount of the relevant assets has been determined on the basis of their value-in-use. The discount rate used in measuring value in use was 8.87%. The CGU segment to which the property, plant and equipment belong to is manufacturing and trading of critical airflow design and supply. Management believes that any reasonably possible change in the key assumptions on which its recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12 Investment in subsidiaries

	The Company	
	2024	2023
	\$	\$
Unquoted equity investments, at cost	17,687,132	17,687,132
Allowance for impairment losses	(16,418,569)	(16,418,569)
	1,268,563	1,268,563

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation/ Place of business	Percentage of equity held		Principal activities
		2024	2023	
		%	%	
Held by the Company				
Acesian Engineering (M) Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Manufacture of air related ducts and accessories.
Acesian Technologies Pte. Ltd. ⁽²⁾	Singapore	100	100	Sales and distribution of air related ducts and accessories, and offering project management and consultancy services.
Linair Technologies (Suzhou) Co., Ltd. ⁽³⁾	People's Republic of China	100	100	Dormant.
Shanghai XianDa Industry Equipment Installation Co., Ltd. ⁽³⁾	People's Republic of China	70	70	Dormant.
Acesian Systems Pte. Ltd. ⁽²⁾	Singapore	100	100	General contractors for infocomm technologies.
Acesian Star (S) Pte. Ltd. ⁽⁴⁾	Singapore	100	100	General contractors for building construction, pumping and air-conditioning.
Acesian Technologies Solutions Pte. Ltd ⁽⁵⁾	Singapore	100	–	Dormant.
ACF Eco Environment Pte. Ltd. ⁽⁶⁾	Singapore	100	–	Dormant.

⁽¹⁾ Audited by PKF Malaysia

⁽²⁾ Audited by PKF-CAP LLP, Singapore

⁽³⁾ Reviewed by PKF-CAP LLP, Singapore for consolidation purposes

⁽⁴⁾ Unaudited as the subsidiary is under liquidation

⁽⁵⁾ Incorporated on 28 May 2024

⁽⁶⁾ Incorporated on 6 November 2024

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12 Investment in subsidiaries (continued)

Impairment assessment of investment in subsidiaries

During the financial year, management performed impairment testing on its investment in subsidiaries, Acesian Engineering (M) Sdn. Bhd. ("**AEM**") and Acesian Technologies Pte. Ltd. ("**ATPL**") which have indication of impairment. Based on the assessment, no allowance for impairment is necessary as the recoverable amount of the investment in subsidiaries which is based on value in use is assessed to be higher than the carrying amount.

The calculation of the value-in-use for the CGU is most sensitive to the following key assumptions:

(i) *Revenue Growth Rates*

Revenue growth rates are determined on a project basis, considering both individual project performance and industry growth rates, at a compound annual growth rate ("**CAGR**") of 8.73% during the forecasted period.

(ii) *Discount Rate*

The discount rate applied to the future cash flow projections is 8.87%. This reflects the current market assessments of the risks specific to the CGU and time value of money.

(iii) *Terminal Growth Rate*

The terminal growth rate applied to the future cash flow projections is 3%. This steady growth rate beyond the initial 3-year period is estimated based on the long-term economic growth rate of the market in which the CGU operates in.

In prior financial year, there was no indication of impairment for the subsidiaries.

The movements of unquoted equity investments, at cost and allowance for impairment losses are as follows:

	The Company	
	2024	2023
	\$	\$
<hr/>		
<u>Unquoted equity investments, at cost</u>		
Balance at beginning and end of the year	17,687,132	17,687,132
<u>Allowance for impairment losses</u>		
Balance at beginning and end of the year	(16,418,569)	(16,418,569)
Investment in subsidiaries, net	<u>1,268,563</u>	<u>1,268,563</u>

At the end of the reporting period, the allowance for impairment loss in investment in subsidiaries was made as certain subsidiaries are in net liabilities position and remain as dormant or under liquidation, the Company is unable to recover the full investment cost from these subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12 Investment in subsidiaries (continued)

Creditors' voluntary liquidation of Active Building Technologies Pte. Ltd. ("ABT")

On 11 March 2022, an application was made to place ABT under creditors' voluntary liquidation and ABT was placed under creditors' voluntary liquidation with effect from 7 April 2022. The final creditors' meeting was held on 30 June 2023 and ABT was successfully and fully liquidated on 4 October 2023. ABT was consolidated until 4 October 2023, the date it ceases to be a subsidiary of the Group.

The net liabilities of ABT at the date of liquidation were as follows:

	2023 \$
<u>Current assets</u>	
Cash and cash equivalents	1,839
Trade and other receivables	44,989
<u>Current liabilities</u>	
Trade and other payables	(2,828,115)
Net liabilities derecognised on liquidation of ABT, representing gain on deconsolidation of a subsidiary (Note 5.1)	<u>(2,781,287)</u>

Following from this, a gain on deconsolidation of subsidiary (ABT) of \$2,781,287 was recorded within "other gain" in profit or loss.

	2023 \$
<u>Net cash outflow arising on deconsolidation of a subsidiary</u>	
Cash and cash equivalents deconsolidated	<u>1,839</u>

Non-controlling interests ("NCI")

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

Name of subsidiary	Place of incorporation and business	Proportion of ownership interest held by NCI	Profit allocated to NCI during the reporting period \$	Accumulated NCI at the end of reporting period \$
Shanghai XianDa Industry Equipment Installation Co., Ltd	People's Republic of China	30%	1,812	241,556

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12 Investment in subsidiaries (continued)

Summarised financial information before intercompany eliminations of subsidiary with material non-controlling interest is as follows:

Summarised statement of financial position

	2024	2023
	\$	\$
Trade and other payables representing net liabilities	–	2,776,226

Summarised income statement

	2024	2023
	\$	\$
Other income	6,040	401,370
Other losses	–	(72,566)
Profit for the year	6,040	328,804

In current and prior financial years, there are no net cash flows movements from the subsidiary with material non-controlling interest.

13 Inventories

	The Group	
	2024	2023
	\$	\$
Statement of financial position:		
Raw materials	2,488,626	2,473,278
Work-in-progress	53,138	288,196
Finished goods	456,366	992,957
	2,998,130	3,754,431
Statement of comprehensive income:		
Inventories recognised as an expense in profit or loss	2,353,439	5,039,082
Inclusive of the following charge		
- Inventories written-down (Note 7)	55,956	55,227
- Reversal of inventories written-down (Note 7)	(3,931)	(62,128)

The reversal of inventories written down was made when the related inventories were sold above their carrying amounts as at 31 December 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

14 Trade and other receivables

	The Group		The Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Trade receivables				
- Third parties	1,976,011	4,029,305	-	43,755
- Subsidiaries	-	-	2,343,883	2,448,995
	1,976,011	4,029,305	2,343,883	2,492,750
Allowance for impairment loss (trade) (Note 25.1)	(1,220,436)	(1,322,901)	(737,257)	(780,456)
Trade receivables, net (Note 4(b))	755,575	2,706,404	1,606,626	1,712,294
Amount owing by subsidiaries (non-trade)	-	-	16,160,461	15,509,391
Allowance for impairment loss (non-trade) (Note 25.1)	-	-	(15,461,422)	(15,461,978)
Amount owing by subsidiaries, net	-	-	699,039	47,413
Deposits	662,533	155,958	331,570	27,000
GST receivable	69,069	46,744	-	-
Other receivables	92,779	90,774	10,428	32,802
Advances to supplier	207,530	229,819	-	-
Total trade and other receivables	1,787,486	3,229,699	2,647,663	1,819,509

Trade receivables are non-interest bearing and are generally on 30 to 90 days' (2023: 30 to 90 days') terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The non-trade amount owing by subsidiaries are unsecured, interest-free and repayable on demand.

Deposits include advance payments made by the Group and the Company amounting to S\$525,848 (2023: Nil) and S\$294,888 (2023: Nil) respectively for the purchase of machinery and a motor vehicle. These amounts are refundable if the suppliers fail to deliver the goods.

Advances to suppliers represents amounts paid in advance for goods that are yet to be delivered.

15 Fixed deposits pledged

The Group

The fixed deposits earn interest at the rates of 1.50% to 3.10% (2023: 0.10% to 3.10%) per annum and have been pledged to various banks for banking facilities and for the manufacturing warehouse license granted to the Group. Fixed deposits are all denominated in the functional currency of the respective Companies.

The Company

The fixed deposits earn interest at the rates of 1.50% (2023: 0.10% to 1.50%) per annum and had been pledged to a bank for banking facilities obtained by a subsidiary in 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

16 Cash and cash equivalents

	The Group		The Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Bank balances	1,984,887	2,834,705	937,679	1,131,032
Fixed deposits	16,403,821	16,402,803	14,670,524	12,745,716
Cash and cash equivalents	18,388,708	19,237,508	15,608,203	13,876,748

Fixed deposits are placed for a tenure of 1 year (2023: 1 year) and bears in interest of 1.50% to 5.05% (2023: 1.50% to 5.05%).

17 Trade and other payables

	The Group		The Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Trade payables	254,752	623,708	–	–
Amount owing to a related party (trade)	36,256	217,852	–	–
Amount owing to a subsidiary	–	–	600,000	–
Accruals – directors' fees	76,175	149,600	76,175	149,600
Accrued operating expenses	419,450	1,761,252	179,812	1,204,217
GST payable	242,524	274,224	90,369	121,892
Other payables	109,130	77,240	9,498	36,591
	1,138,287	3,103,876	955,854	1,512,300

Trade payables are non-interest bearing and are normally settled on 30 to 90 days' (2023: 30 to 90 days') terms.

Amounts owing to related party and subsidiaries are unsecured, non-interest bearing and repayable on demand.

18 Lease liabilities

	The Group		The Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Current:				
Lease liabilities (Note 22(b))	264,128	219,102	92,703	101,167
Non-current:				
Lease liabilities (Note 22(b))	1,169,980	811,394	519,345	–
	1,434,108	1,030,496	612,048	101,167

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

18 Lease liabilities (continued)

Reconciliation of movement of liabilities to cash flows arising from financing activities:

	1 January 2024	Cash flows	Interest paid	Non-cash changes			Exchange difference	31 December 2024
				Additions	Disposals	Interest expense		
	\$	\$	\$	\$	\$	\$	\$	
Lease liabilities	1,030,496	(317,060)	(49,621)	619,744	-	49,621	100,928	1,434,108

	1 January 2023	Cash flows	Interest paid	Non-cash changes			Exchange difference	31 December 2023
				Additions	Disposals	Interest expense		
	\$	\$	\$	\$	\$	\$	\$	
Lease liabilities	561,866	(462,579)	(29,333)	940,262	(61,678)	29,333	52,625	1,030,496

19 Share capital, treasury shares and share-based payment reserve

Share capital

	The Group and The Company			
	2024	2023	2024	2023
	No. of Shares		\$	\$
Ordinary shares issued and fully paid:				
At beginning and end of the year	498,498,498	498,498,498	20,321,774	20,321,774

The holders of ordinary shares are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share without restriction. The ordinary shares have no par value.

Treasury shares

	The Group and The Company			
	2024	2023	2024	2023
	No. of Shares		\$	\$
At beginning of the year	21,652,900	5,127,700	998,999	196,288
Purchased during the year	5,625,200	16,525,200	258,200	802,711
Treasury shares reissued	(1,431,378)	-	(80,157)	-
At end of the year	25,846,722	21,652,900	1,177,042	998,999

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For the financial year ended 31 December 2024

19 Share capital, treasury shares and share-based payment reserve (continued)

Share-based payment reserve

Equity-settled share award plan

The share-based payment reserve comprise the cumulative value of employee services received for the share awards granted. Upon the issuance of the new ordinary shares at the point of vesting of the share awards granted, the amount from the share-based payment reserve is transferred to share capital. If the vesting of the share awards granted is funded by treasury shares, the share-based payment reserve is offset against treasury shares. When the share awards are forfeited, the amount from the share-based payment reserve is transferred to retained earnings.

Acesian Performance Bonus Share Plan 2022 (the "PSP 2022")

At the Extraordinary General Meeting held on 27 April 2022, the members of the Company approved the PSP 2022, for granting of incentive share awards to employees (including executive directors) and non-executive directors of the Group.

Pursuant to the terms and conditions of the PSP 2022, the Company has transferred 1,431,378 treasury shares amounting \$65,820⁽ⁱ⁾ in connection with the Vesting of Awards, out of the 27,278,100 shares due to the eligible participants under the Awards on 17 May 2024.

⁽ⁱ⁾ based on total treasury shares transferred multiplied by volume-weighted average cost which was determined by aggregate value of considerations paid divided by total treasury shares.

Details of the share awards outstanding during the year are as follows:

	The Group and The Company	
	2024	2023
	No. of Shares	
At beginning of the year	1,431,378	–
Grant of share awards	–	2,444,592
Forfeiture of share awards	–	(1,013,214)
Share awards vested and exercised	(1,431,378)	–
At end of the year	–	1,431,378

The former director resigned on 31 October 2023 and forfeited the 1,013,214 shares granted under the PSP 2022. Following from this, as at 31 December 2023, the remaining shares granted under the PSP 2022 amounted to 1,431,378.

Under the PSP 2022, the vesting period will be one year from the date of grant. Upon vesting of the award, the number of shares which are subject to the award will be credited to the participants Central Depository (Pte) Limited ("CDP") account. The grant price is based on the market price of the Company's shares on the Singapore Exchange Securities Trading Limited on the date of grant.

	The Group and The Company	
	2024	2023
Fair value of shares granted	–	0.056
Vesting period	–	17 May 2023 to 16 May 2024

The Group and the Company recognised total expenses of \$30,086 (2023: \$50,071) related to equity settled share-based payment transactions during the year based on the fair value of the shares at the date of granted.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

20 Foreign currency translation reserve

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

21 Significant related party transactions

(a) Sales and purchases

Other than the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions entered between the Group and related parties (excluding entities within the Group) that took place at terms agreed between the parties during the financial year:

	The Group	
	2024	2023
	\$	\$
Purchases from related party	97,187	412,282

(b) Compensation of key management personnel

	The Group	
	2024	2023
	\$	\$
Short-term employee benefits	1,324,018	2,267,876
Central provident fund contributions	78,437	78,039
	1,402,455	2,345,915

The above amounts include total emoluments of the Company's directors of \$659,668 (2023: \$1,775,608). Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

22 Leases

Group as a lessee

The Group has leases contracts for office and factory premises, plant and machineries and motor vehicles. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension options which are further discussed below.

The Group also has certain leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

22 Leases (continued)

Group as a lessee (continued)

(a) Carrying amounts of right-of-use assets classified within property, plant and equipment

The Group	Buildings \$
At 1 January 2023	537,206
Additions	940,262
Disposals	(58,491)
Depreciation	(389,534)
Exchange difference	(14,279)
At 31 December 2023	1,015,164
Additions	619,744
Depreciation	(276,472)
Exchange difference	44,702
At 31 December 2024	1,403,138
The Company	
At 1 January 2023	202,398
Depreciation	(105,599)
At 31 December 2023	96,799
Additions	619,744
Depreciation	(105,406)
At 31 December 2024	611,137

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 18 and the maturity analysis of lease liabilities is disclosed in Note 25.4.

(c) Amounts recognised in profit or loss

	The Group	
	2024 \$	2023 \$
Depreciation of right-of-use assets	276,472	389,534
Interest expense on lease liabilities (Note 6)	49,621	29,333
Lease expense – short-term leases (included in other operating expenses)	150,646	39,742
Lease expense – low-value leases (included in other operating expenses)	4,132	1,287
	480,871	459,896

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

22 Leases (continued)

Group as a lessee (continued)

(d) Total cash outflow for all the leases

The Group had total cash outflows for leases of \$521,459 in 2024 (2023: \$532,941).

(e) Extension options

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (Note 3.1(a)).

23 Commitments

Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	The Group	
	2024	2023
	\$	\$
Approved and contracted for:		
Property, plant and equipment	240,437	28,743

24 Contingencies

The Group has provided the following guarantees to the customers of its subsidiary at the end of the current reporting period:

- Performance of contracts of \$12,602 (2023: \$12,602)

No liability is expected to arise from the above guarantee given. The fair value of the above financial guarantee is not recognised as it is considered not material.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25 Financial risk management objective and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, foreign currency risk, interest rate risk and liquidity risk.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks. There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

25.1 Credit risk

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

Cash and cash equivalents and fixed deposits pledged are placed with financial institutions which are regulated and reputable.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and appropriate measures to mitigate credit risk exposures are undertaken to ensure that the Group's exposure to bad debts is not significant.

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

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supporting forward-looking information.

The Group determined that its financial assets are credit-impaired when:

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25 Financial risk management objective and policies (continued)

25.1 Credit risk (continued)

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country and segment profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables (net of allowance for impairment) at reporting date is as follows:

	2024		2023	
	\$	% of	\$	% of
The Group				
By country:				
Singapore	644,808	85%	2,114,146	78%
Malaysia	31,543	4%	14,385	1%
Other countries	79,224	11%	577,873	21%
	755,575	100%	2,706,404	100%
By segment:				
Critical airflow design and supply	755,575	100%	2,704,298	99%
Engineering services	–	–	2,106	1%
	755,575	100%	2,706,404	100%

At the end of the reporting period, approximately 90% (2023: 92%) of the Group's trade receivables were due from 5 (2023: 5) major customers.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25 Financial risk management objective and policies (continued)

25.1 Credit risk (continued)

Credit risk concentration profile (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables for customers:

	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Credit impaired
	%	\$	\$	
The Group				
2024				
Not past due	0.00	652,574	–	No
Trade receivables past due:				
Less than 30 days	0.00	103,001	–	No
30 – 60 days	0.00	–	–	No
61 – 90 days	0.00	–	–	No
More than 90 days	100.00	1,220,436	1,220,436	Yes
		1,976,011	1,220,436	
2023				
Not past due	0.00	2,385,034	–	No
Trade receivables past due:				
Less than 30 days	0.00	258,427	–	No
30 – 60 days	0.00	34,077	–	No
61 – 90 days	0.00	28,866	–	No
More than 90 days	100.00	1,322,901	1,322,901	Yes
		4,029,305	1,322,901	

Management estimates the loss allowance on contract assets at an amount equal to lifetime expected credit losses ("ECLs") taking into account the historical default experience and the future prospects of the industry. No allowance for expected credit losses is made

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25 Financial risk management objective and policies (continued)

25.1 Credit risk (continued)

Credit risk concentration profile (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables for customers (continued):

	Weighted average loss rate %	Gross carrying amount \$	Impairment loss allowance \$	Credit impaired \$
The Company				
2024				
Not past due	0.00	1,606,626	–	No
Trade receivables past due:				
More than 90 days	100.00	737,257	737,257	Yes
		<u>2,343,883</u>	<u>737,257</u>	
2023				
Not past due	0.00	1,712,294	–	No
Trade receivables past due:				
More than 90 days	100.00	780,456	780,456	Yes
		<u>2,492,750</u>	<u>780,456</u>	

Expected credit losses

The movement in allowance for expected credit losses for trade and other receivables computed based on the ECL model is as follows:

	The Group		The Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Movement in allowance accounts:				
At 1 January	1,322,901	1,488,730	16,242,434	16,342,196
Charge for the year	–	62,638	–	–
Deconsolidation of a subsidiary	–	(179,360)	–	(99,762)
Written back	(4,640)	–	–	–
Written off	(101,754)	–	(43,755)	–
Exchange differences	3,929	(49,107)	–	–
At 31 December	<u>1,220,436</u>	<u>1,322,901</u>	<u>16,198,679</u>	<u>16,242,434</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25 Financial risk management objective and policies (continued)

25.1 Credit risk (continued)

Credit quality of trade and other receivables and contract assets

The Group uses the simplified approach in calculating ECL for trade receivables and contract assets that do not contain a significant financing component. The Group applies the practical expedient to calculate ECL using a provision matrix. Such a matrix is supported by historical credit loss experience, adjusted as appropriate to reflect current conditions and estimates of future economic conditions), based on days past due status.

Other receivables are due from creditworthy debtors such as debtors with good payment records and strong financial position. Cash and bank balances including fixed deposits are placed with major financial institutions with high credit ratings. The other receivables and cash and bank balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

25.2 Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. The foreign currencies in which these transactions are denominated are mainly in United States Dollars ("USD") and Euro ("EUR").

Analysis of amounts denominated in non-functional currency:

	USD \$	EUR \$
2024		
The Group		
Trade and other receivables	307,198	-
Cash and cash equivalents	1,949,722	1,638
Trade and other payables	(53,752)	-
Currency exposure	<u>2,203,168</u>	<u>1,638</u>
The Company		
Trade and other receivables	-	-
Cash and cash equivalents	104,207	-
Currency exposure	<u>104,207</u>	<u>-</u>
2023		
The Group		
Trade and other receivables	831,597	-
Cash and cash equivalents	8,277,262	2,038
Trade and other payables	(1,683,123)	-
Currency exposure	<u>7,425,736</u>	<u>2,038</u>
The Company		
Trade and other receivables	16,393	-
Cash and cash equivalents	4,351,123	-
Currency exposure	<u>4,367,516</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25 Financial risk management objective and policies (continued)

25.2 Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit/loss net of tax to a reasonably possible change in the exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Increase/(Decrease) Profit or Loss	
		2024	2023
		\$	\$
The Group			
USD/SGD	– strengthened 5% (2023: 5%)	91,400	308,200
	– weakened 5% (2023: 5%)	(91,400)	(308,200)
EUR/SGD	– strengthened 5% (2023: 5%)	100	100
	– weakened 5% (2023: 5%)	(100)	(100)
The Company			
USD/SGD	– strengthened 5% (2023: 5%)	4,300	181,300
	– weakened 5% (2023: 5%)	(4,300)	(181,300)

25.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instrument will fluctuate because of changes in market interest rates. The Group does not have exposure to market risk for changes in interest rates as it does not have any financial instruments which bear variable interest rates except for the lease liabilities as disclosed in Note 22.

25.4 Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group and the Company monitor its liquidity needs by closely monitoring scheduled debt servicing payments for financial liabilities and their cash outflows due to day-to-day operations, as well as ensuring the availability of funding through an adequate amount of credit facilities, both committed and uncommitted.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25 Financial risk management objective and policies (continued)

25.4 Liquidity risk (continued)

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year \$	Between 1 and 5 years \$	Total \$
The Group			
As at 31 December 2024			
Financial liabilities:			
Trade and other payables*	895,763	–	895,763
Lease liabilities	331,504	1,306,262	1,637,766
Total undiscounted financial liabilities	1,227,267	1,306,262	2,533,529
As at 31 December 2023			
Financial liabilities:			
Trade and other payables*	2,829,652	–	2,829,652
Lease liabilities	303,052	875,631	1,178,683
Total undiscounted financial liabilities	3,132,704	875,631	4,008,335

* Exclude non-financial liabilities of \$242,524 (2023: \$274,224).

	Less than 1 year \$	Between 1 and 5 years \$	Total \$
The Company			
As at 31 December 2024			
Financial liabilities:			
Trade and other payables**	865,485	–	865,485
Lease liabilities	120,000	590,000	710,000
Total undiscounted financial liabilities	985,485	590,000	1,575,485
As at 31 December 2023			
Financial liabilities:			
Trade and other payables**	1,390,408	–	1,390,408
Lease liabilities	103,433	–	103,433
Total undiscounted financial liabilities	1,493,841	–	1,493,841

** Exclude non-financial liabilities of \$90,369 (2023: \$121,892).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

26 Capital management

The primary objective of the Group's capital management is to maintain a strong credit rating and healthy capital ratios to support the Group's business operations and to maximise shareholder value.

The Group manages the capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of the underlying assets. There were no changes in the Group's approach to capital management during the financial years ended 31 December 2024 and 31 December 2023.

Management monitors capital based on gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as lease liabilities less cash and cash equivalents (including fixed deposits pledged). Total capital is calculated as equity plus net debt.

	The Group		The Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Net cash	(17,017,851)	(18,295,097)	(14,996,155)	(13,805,581)
Equity	22,779,828	22,363,918	18,595,238	15,469,039
Total Capital	5,761,977	4,068,821	3,599,083	1,663,458

There were no externally imposed capital requirements in place for the financial years ended 31 December 2024 and 31 December 2023.

27 Statement of operations by segments

For management purposes, the Group is organised into business units based on their activities and services, and has three reportable operating segments as follows. The Managing Director (the Group's chief operating decision maker) monitors the operating results and reviews the internal management reports of its business units for the purpose of performance assessment. Each segment is managed by the respective Business Unit Head ("BUH"):

Critical airflow design and supply

Critical airflow design and supply relates to revenue generated from the design, manufacture and supply of critical airflow and related products including ETFE-coated ducts, uncoated stainless steel ducts and critical airflow systems which will be integrated with third-party equipment such as fume-hoods, scrubbers and fans for a complete environment-control system.

Inter-segment pricing is determined on mutually agreed terms.

Engineering services

Engineering services relates to provision of turnkey facility construction management and specialist engineering.

Corporate

Corporate segment is involved in Group-level corporate services such as treasury, finance, human resource function and etc.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

27 Statement of operations by segments (continued)

(a) Business segments

Financial year ended 31 December 2024

	Critical airflow design and supply \$	Engineering services \$	Corporate \$	Total \$
REVENUE				
Total Segment	11,389,957	82,837	4,609,883	16,082,677
Less: Inter-segment	(3,636,313)	–	(4,609,883)	(8,246,196)
External sales	<u>7,753,644</u>	<u>82,837</u>	–	<u>7,836,481</u>
RESULTS				
Segment results	<u>127,463</u>	<u>25,140</u>	<u>362,403</u>	515,006
Income tax expense				(8,212)
Non-controlling interest				<u>(1,812)</u>
Net profit attributable to owners of the Company				<u>504,982</u>
ASSETS				
Segment assets	<u>9,209,554</u>	<u>82,775</u>	<u>16,617,626</u>	<u>25,909,955</u>
LIABILITIES				
Segment liabilities	<u>1,716,676</u>	<u>175,279</u>	<u>996,616</u>	<u>2,888,571</u>
OTHER INFORMATION				
Capital expenditure	236,885	–	8,850	245,735
Depreciation	425,160	–	109,778	534,938
Impairment loss on trade receivables written back	(4,640)	–	–	(4,640)
Inventories written down, net	<u>52,025</u>	–	–	<u>52,025</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

27 Statement of operations by segments (continued)

(a) Business segments (continued)

Financial year ended 31 December 2023

	Critical airflow design and supply \$	Engineering services \$	Corporate \$	Total \$
REVENUE				
Total Segment	21,941,937	162,170	7,539,887	29,643,994
Less: Inter-segment	(6,315,484)	–	(7,539,887)	(13,855,371)
External sales	15,626,453	162,170	–	15,788,623
RESULTS				
Segment results	4,962,391	3,172,164	191,765	8,326,320
Income tax expense				(771,450)
Non-controlling interest				(98,641)
Net profit attributable to owners of the Company				7,456,229
ASSETS				
Segment assets	14,738,131	696,950	14,081,236	29,516,317
LIABILITIES				
Segment liabilities	5,059,734	209,764	1,640,468	6,909,966
OTHER INFORMATION				
Capital expenditure	71,149	–	–	71,149
Depreciation	610,897	–	112,332	723,229
Allowance for impairment loss on trade and other receivables	62,638	–	–	62,638
Inventories written back, net	(6,901)	–	–	(6,901)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

27 Statement of operations by segments (continued)

(b) Geographical segments

	2024	2023
	\$	\$
Revenue		
Asia	6,952,006	14,549,123
Others	884,475	1,239,500
	<u>7,836,481</u>	<u>15,788,623</u>

The following table shows the non-current assets by geographical area as at reporting date:

	2024	2023
	\$	\$
Total non-current assets		
Singapore	667,054	172,555
Malaysia	1,808,349	1,894,935
	<u>2,475,403</u>	<u>2,067,490</u>

28 Fair value of financial instruments

Financial instruments whose carrying amounts approximate fair value

The carrying amounts of financial assets and liabilities with a maturity of less than one year approximate their fair values due to the relatively short-term maturity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

29 Categories of financial instruments

The categories of financial instruments as at the reporting date are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Financial assets				
<i>At amortised cost</i>				
Trade and other receivables*	1,510,887	2,953,136	2,647,663	1,819,509
Fixed deposit pledged	63,251	88,085	–	30,000
Cash and cash equivalents	18,388,708	19,237,508	15,608,203	13,876,748
	19,962,846	22,278,729	18,255,866	15,726,257
Financial liabilities				
<i>At amortised cost</i>				
Trade and other payables**	895,763	2,829,652	865,485	1,390,408
Lease liabilities	1,434,108	1,178,683	612,048	103,433
	2,329,871	4,008,335	1,477,533	1,493,841

* Exclude non-financial assets of the Group amounting to \$ 276,599 (2023: \$276,563).

** Exclude non-financial liabilities of the Group and the Company amounting to \$ 242,524 (2023: \$274,224) and \$ 90,369 (2023: \$121,892) respectively.

30 Authorisation of Financial Statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 19 March 2025.

SHAREHOLDINGS STATISTICS

As at 6 March 2025

Number of Issued Shares	:	498,498,498
Number of Issued Shares (excluding Treasury Shares and Subsidiary Holdings ⁽¹⁾)	:	472,651,776
Number of Treasury Shares	:	25,846,722
Number of Subsidiary Holdings	:	0
Percentage of Treasury Shares and Subsidiary Holdings	:	5.47% ⁽²⁾
Class of Shares	:	Ordinary shares
Voting Rights (excluding Treasury Shares and Subsidiary Holdings)	:	One vote per share

Notes:

- (1) "Subsidiary Holdings" means any Issued Shares of the Company held by its subsidiaries (as referred to in the Companies Act 1967).
- (2) Percentage calculated against the number of Issued Shares (excluding Treasury Shares and Subsidiary Holdings).

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	18	3.05	225	0.00
100 – 1000	42	7.12	30,608	0.01
1,001 – 10,000	114	19.32	762,866	0.16
10,001 – 1,000,000	382	64.75	47,871,822	10.13
1,000,001 and above	34	5.76	423,986,255	89.70
Total	590	100.00	472,651,776	100.00

LIST OF 20 LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LOH YIH	100,877,558	21.35
2	PHILLIP SECURITIES PTE LTD	93,049,522	19.69
3	CAVANGH GROUP PTE LTD	47,380,000	10.02
4	KELVIN KWOK YING CHOY	36,612,000	7.75
5	GOH TIOW GUAN	30,000,000	6.35
6	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	16,356,375	3.46
7	ABN AMRO CLEARING BANK N.V.	12,355,800	2.61
8	TRIPLESTAR CAPITAL PTE LTD	11,120,000	2.35
9	IFAST FINANCIAL PTE LTD	9,548,200	2.02
10	DB NOMINEES (SINGAPORE) PTE LTD	8,337,500	1.76
11	TAN CHOW KHONG	6,400,000	1.35
12	RAFFLES NOMINEES (PTE) LIMITED	5,338,700	1.13
13	TAN SOON LAN	4,961,000	1.05
14	TIGER BROKERS (SINGAPORE) PTE. LTD.	4,730,500	1.00
15	QUEK POK YEOW STEPHEN (GUO BOYAO)	4,500,000	0.95
16	DBS NOMINEES PTE LTD	3,833,200	0.81
17	LAW PENG KWEE	3,543,100	0.75
18	MAYBANK SECURITIES PTE. LTD.	2,295,900	0.49
19	HILLS HOLDINGS PTE LTD	2,280,000	0.48
20	ONG SWEE WHATT	2,198,600	0.47
	TOTAL:	405,717,955	85.84

SHAREHOLDINGS STATISTICS

As at 6 March 2025

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Number of Shares fully paid			
	Direct Interest	%	Deemed Interest	%
Loh Yih ⁽¹⁾	100,877,558	21.35	47,380,000	10.02
Cavangh Group Pte Ltd ⁽¹⁾	47,380,000	10.02	–	–
Goh Tiow Guan	30,300,000	6.41	–	–
Ho Ta-Huang ⁽²⁾	–	–	45,583,000	9.64
Chern Dar Enterprise Co. Ltd ⁽³⁾	–	–	45,583,000	9.64
Kelvin Kwok Ying Choy	62,214,700	13.16	–	–

Notes:

⁽¹⁾ Mr. Loh Yih is deemed to be interested in the 47,380,000 shares held by Cavangh Group Pte. Ltd.

⁽²⁾ Mr. Ho Ta-Huang is deemed to be interested in the 45,583,000 shares held by Chern Dar Enterprise Co. Ltd.

⁽³⁾ Chern Dar Enterprise Co. Ltd's shares are held in the name of Phillip Securities Pte Ltd.

PUBLIC FLOAT

Based on information available to the Company as at 6 March 2025, approximately 37.38% of the issued ordinary shares of the Company are held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (“**AGM**” or “**Meeting**”) of Acesian Partners Limited (the “**Company**”) will be held at 33 Mactaggart Road #04-00, Lee Kay Huan Building, Singapore 368082 on Friday, 25th day of April 2025 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2024, together with the Independent Auditors’ Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ Fees of S\$76,175.00 for the financial year ended 31 December 2024 (2023: S\$80,000.00). **(Resolution 2)**
3. To re-elect Mr. Loh Yih*, who is retiring as a Director by rotation under Regulation 89 of the Company’s Constitution, and who, being eligible, offers himself for re-election. **(Resolution 3)**
[See Explanatory Note (i)]
4. To re-elect Mr. Quek Pok Yeow, Stephen*, who is retiring under Regulation 88 of the Company’s Constitution, and who, being eligible, offers himself for re-election. **(Resolution 4)**
[See Explanatory Note (ii)]
5. To re-appoint PKF-CAP LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may be properly transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions (with or without amendments) as Ordinary Resolutions:-

7. **General mandate to allot and issue new 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 under Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (“**Catalist Rules**”), authority be and is hereby given to the Directors of the Company to:-

- (A) (i) Allot and issue ordinary shares of the Company (“**Shares**”) whether by way of rights issue, bonus issue 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

* For details of Mr. Loh’s & Mr. Quek’s disclosure pursuant to Rule 720(5) of the Catalist Rules, please refer to pages 29 to 34 of the Annual Report 2024.

NOTICE OF ANNUAL GENERAL MEETING

(B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided always that:

- (i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (ii) below); and
- (ii) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of the issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time this Resolution is passed, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any Instruments or any convertible securities;
 - (b) (where applicable) new Shares arising from the exercise of share options or vesting of share awards, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with (a) and (b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time this Resolution is passed.

- (iii) in exercising the 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 of the Company for the time being in force; and
- (iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier." **(Resolution 6)**
[See Explanatory Note (iii)]

8. Renewal of the Share Buy Back Mandate

That:

- (a) for the purposes of Sections 76C and 76E of the Act, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter 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 hereinafter defined), whether by way of:
 - (i) market purchases (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or
 - (ii) off-market purchases (each an "**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act,

NOTICE OF ANNUAL GENERAL MEETING

and otherwise in accordance with all other laws and provisions, including but not limited to the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy Back Mandate**");

- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy Back Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Act;
- (c) 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 on and from the date of passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next AGM is held or is required by law to be held;
 - (ii) the date on which the share buy back is carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in this Share Buy Back Mandate is varied or revoked;
- (d) for purposes of this Resolution:

"Prescribed Limit" means ten per cent. (10%) of the Shares of the Company as at the date of passing of this Ordinary Resolution unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Act, at any time during the Relevant Period, in which event the number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any Shares which are held as treasury shares as at that date);

"Relevant Period" means the period commencing from the date of the AGM at which the Share Buy Back Mandate is approved and thereafter, expiring on the date on which the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution; and

"Maximum Price" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) to be paid for the Shares not exceeding:-

- (i) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent. (120%) of the Average Closing Price.

where:-

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) market days on which transactions in the Shares were recorded on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date 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-day period and the date of the Market Purchase by the Company;

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (e) the Directors of the Company and/or any of them be and are hereby authorised to deal with the Share Buy Back by the Company, pursuant to the Share Buy Back Mandate in any manner as they think fit, which is permissible under the Act; and

NOTICE OF ANNUAL GENERAL MEETING

- (f) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing such documents as may be required) as they and/or he may consider expedient, necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.”

(Resolution 7)

[See Explanatory Note (iv)]

9. Renewal of the Interested Persons Transactions Mandate

That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules of the SGX-ST for the Company and its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Catalist Rules), or any of them, to enter into and to approve and/or ratify any of the transactions falling within the interested person transactions described in the Circular with any party who is of the class of interested persons described in the Circular, provided that such transactions are made on normal commercial terms and not prejudicial to the interest of the Company and the minority shareholders and in accordance with the Company's review procedures for such interested person transactions;
- (b) the approval given in paragraph (a) above (the “**IPT Mandate**”) 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 is held or is required by law to be held, whichever is earlier; and
- (c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including without limitation, executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate.

(Resolution 8)

[See Explanatory Note (v)]

10. Acesian Performance Bonus Share Plan 2022

That:

- (1) grant award shares in accordance with the provisions of the Performance Share Bonus Plan 2022 of the Company; and
- (2) allot and/or issue from time to time such number of fully paid-up award shares as may be required to be allotted and/or issued pursuant to the vesting of awards under the Performance Share Bonus Plan, provided that the aggregate number of award shares to be allotted and/or issued pursuant to the Performance Share Scheme and any other share based schemes of the Company shall not exceed 15% of the total issued shares (excluding treasury shares and subsidiary holdings) of the Company 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 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.

(Resolution 9)

[See Explanatory Note (vi)]

11. Participation by Mr. Loh Yih, An Executive Director and Managing Director and a Controlling Shareholder of the Company, in the Performance Bonus Share Plan 2022

That subject to and contingent upon Resolution 9 being passed, approval be and is hereby given for the participation by Mr. Loh Yih in the Performance Share Plan 2022.

(Resolution 10)

[See Explanatory Note (vii)]

BY ORDER OF THE BOARD

LOH YIH
EXECUTIVE DIRECTOR AND MANAGING DIRECTOR

1 APRIL 2025
SINGAPORE

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) If re-elected under Resolution 3, Mr. Loh Yih will remain as Executive Director and Managing Director of the Company. Detailed information on Mr. Loh Yih can be found under the "Board of Directors" and "Corporate Governance Report" sections in the Company's Annual Report for the financial year ended 31 December 2024 ("**Annual Report 2024**").
- (ii) If re-elected under Resolution 4, Mr. Quek Pok Yeow, Stephen will remain as an Independent Non-Executive Director of the Company. The Board considers Mr. Quek Pok Yeow, Stephen independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Mr. Quek Pok Yeow, Stephen can be found under the "Board of Directors" and "Corporate Governance Report" sections in the Annual Report 2024.
- (iii) Resolution 6, if passed, will empower the Directors of the Company to issue Shares and convertible securities in the Company up to a maximum of hundred per cent (100%) of the issued Shares (excluding treasury shares and subsidiary holdings) of the Company (of which the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to existing shareholders shall not exceed fifty per cent (50%) of the issued Shares (excluding treasury shares and subsidiary holdings) of the Company) for the purposes as they consider would be in the interest of the Company. This authority will continue in force until the next AGM of the Company or the date by which the next AGM is required by law to be held, whichever is the earlier, unless the authority is previously revoked or varied by the Company at a general meeting.
- (iv) Resolution 7, if passed, will empower the Directors of the Company, from the date of the AGM until the date the next AGM is to be held or required by law to be held, whichever is earlier, to renew the mandate to allow the Company to purchase ordinary Shares of the Company by way of market purchases or off-market purchases of up to ten per cent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company up to the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary Shares by the Company pursuant to the Share Buy Back Mandate are set out in greater detail in the Circular to Shareholders dated 1 April 2025 ("**Circular**").
- (v) Resolution 8, if passed, will authorise the Interested Person Transactions as described in the Circular and recurring in the year and will empower the Directors of the Company to do all acts necessary to give effect to the Shareholders' Mandate. This authority will, unless previously revoked or varied by the Company in a general meeting, continue in force until the date the next general meeting of the Company is held or is required by law to be held, whichever is earlier.
- (vi) Resolution 9, if passed, will empower the Directors to grant award shares pursuant to the Performance Share Bonus Plan 2022 and allot and/or issue fully paid-up award shares pursuant to the vesting of awards under the Performance Share Bonus Plan 2022.

Approval for the Performance Share Bonus Plan 2022 was given by shareholders at the Extraordinary General Meeting of the Company held on 27 April 2022 ("**2022 EGM**") and renewed by shareholders at the AGM held on 25 April 2024. The grant of award shares under the Performance Share Bonus Plan 2022 will be made in accordance with the rules of the Performance Share Scheme as set out in the circular to shareholders dated 5 April 2022 issued by the Company ("**2022 Circular**").

- (vii) Resolution 10, if passed, will enable the participation in the Performance Share Bonus Plan 2022 by Mr. Loh Yih, the Executive Director and Managing Director and a Controlling Shareholder of the Company.

Approval for the Performance Share Bonus Plan 2022 was given by shareholders at the 2022 EGM. The grant of award shares under the Performance Share Bonus Plan will be made in accordance with the rules of the Performance Share Bonus Plan as set out in the 2022 Circular.

Notes:-

- (i) The members of the Company are invited to **attend physically** at the AGM. There will be no option for Shareholders to participate virtually.
- (ii) Members 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).
- (iii) Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the Meeting) to attend, to speak and/or to vote at the AGM on their behalf. They may:
 - (a) attend and vote at the AGM if they are appointed as proxies by their respective CPF agent banks / SRS operators. CPF and SRS investors who wish to attend and to vote at the AGM should contact their respective CPF agent banks / SRS operators and request to be appointed as proxies for the AGM; or

NOTICE OF ANNUAL GENERAL MEETING

- (b) appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM. They should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 5:00 p.m. on 14 April 2025, being seven working days before the AGM.
- (iv) Members may ask questions relating to the business of the AGM at the Meeting, or submit questions via email to generalmeetings@acesian.com in advance of the AGM by 11 April 2025 (5.00 p.m.).

When submitting the questions, please provide the Company with the following details, for verification purposes:-

- (i) Full Name;
- (ii) NRIC/Passport Number;
- (iii) Current Address;
- (iv) Contact Number; and
- (v) Number of Shares Held

Please also indicate the manner in which you hold shares in the Company (e.g. via CDP, CPF or SRS).

The Company will endeavour to address the substantial and relevant questions prior to and/or at the AGM. If addressed prior to the AGM, the responses to questions from members will be posted on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and the Company's corporate website at the URL <http://www.acesian.com> by 17 April 2025 (if questions are submitted in advance by 11 April 2025 and answered prior to the AGM). The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (which are related to the resolutions to be tabled for approval at the AGM) received after the 11 April 2025 submission deadline which have not already been addressed prior to the AGM, as well as those substantial and relevant questions received at the AGM, at the AGM itself. The responses will be included in the minutes of the AGM and published on SGX website and the Company's corporate website within one month from the date of the AGM.

Where substantially similar questions are received, the Company will consolidate such questions and consequently, not all questions will be individually addressed.

- (v) (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. 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.
- (b) A member who is a relevant intermediary is entitled to appoint more than two 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's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

If a member wishes to appoint the Chairman of the Meeting 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 Meeting 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 Meeting as proxy for that resolution will be treated as invalid.

- (vi) A proxy need not be a member of the Company.
- (vii) The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at Company's registered office at 33 Mactaggart Road, #04-00 Lee Kay Huan Building, Singapore 368082; or
 - (b) if submitted electronically, be submitted via email to the Company at proxy@acesian.com,

in either case, not less than 48 hours before the time appointed for holding the AGM.

Printed copies of this Notice and Proxy Form will be sent to members. A copy of this Notice and Proxy Form can also be accessed electronically by the members on the Company's website at the URL <http://www.acesian.com>, and on the SGX website at <http://www.sgx.com/securities/company-announcements>. A member who wishes to submit an instrument of proxy must complete and sign it, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

NOTICE OF ANNUAL GENERAL MEETING

(viii) The Annual Report 2024 and the Circular (in relation to the proposed renewal of the share buy back mandate and the proposed renewal of the interested person transactions mandate) will be published on the Company's website at the URL <http://www.acesian.com> and will also be made available on the SGX website at the URL <http://www.sgx.com/securities/company-announcements>. Printed copies of the Annual Report 2024 and the Circular will be sent to members.

PERSONAL DATA PRIVACY

By submitting 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 and service providers) for the purpose of the processing, administration and analysis by the Company (or its agents and service providers) of the proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents and service providers) 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 and service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents and service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*This Notice has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd., (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Notice, including the correctness of any of the statements or opinions made or reports contained in this Notice.*

The contact person for the Sponsor is Mr. Liau H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271.

ACESIAN PARTNERS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 199505699D

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT

1. A relevant intermediary may appoint more than two (2) proxies to attend the Annual General Meeting and vote.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy the Company's shares, this Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors may:
 - (a) vote at the AGM if they are appointed as proxy(ies) by their respective CPF Agent Banks/SRS operators, and should contact their respective CPF Agent Banks/SRS operators if they have any queries regarding their appointment as proxy(ies); or
 - (b) appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks/SRS operators to submit their votes by 5:00 p.m. on 14 April 2025, being seven working days before the date of the AGM.

I/We _____ (Name) NRIC/Passport No./Company Registration No. _____

of _____ (Address)

being a member/members of Acesian Partners Limited (the "Company"), 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/persons, the Chairman of the Annual General Meeting (the "Meeting" or "AGM") as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the AGM to be held at 33 Mactaggart Road #04-00, Lee Kay Huan Building, Singapore 368082 on Friday, 25th day of April 2025 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against, or to abstain from the Resolutions to be proposed at the AGM as indicated hereunder.

If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

(Voting will be conducted by poll. In respect of any resolution, if you wish to exercise all your votes "For", "Against" or "Abstain", please tick [✓] within the relevant box provided. Alternatively, please indicate the number of votes as appropriate within the relevant box.)

No.	Resolutions relating to:	For	Against	Abstain
	Ordinary Business			
1.	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2024, together with the Independent Auditors' Report thereon			
2.	Approval of payment of Directors' Fees amounting to S\$76,175.00 for the financial year ended 31 December 2024			
3.	Re-election of Mr. Loh Yih as a Director of the Company			
4.	Re-election of Mr. Quek Pok Yeow, Stephen as a Director of the Company			
5.	Re-appointment of PKF-CAP LLP as Auditors of the Company and to authorise the Directors to fix their remuneration			
	Special Business			
6.	Authority to Directors to allot and issue new shares pursuant to Section 161 of the Companies Act 1967			
7.	To renew the Share Buy Back Mandate			
8.	To renew the Interested Persons Transactions Mandate			
9.	Authority to grant and allot and/or issue award shares pursuant to the Acesian Performance Bonus Share Plan 2022 ("PSP 2022")			
10.	To approve the participation by Mr. Loh Yih, a controlling shareholder, in the PSP 2022			

Dated this _____ Day of _____ 2025

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) or Common Seal of member(s)

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM



Notes:

1. Please insert the total number of shares of the Company ("**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) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. 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.
 - (b) A member who is a relevant intermediary is entitled to appoint more than two 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's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

Pursuant to Section 181(6) of the Companies Act 1967, a Relevant Intermediary is:

- (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; or
 - (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 and who holds shares in that capacity; or
 - (c) the Central Provident Fund 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 Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

If a member wishes to appoint the Chairman of the Meeting 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 Meeting 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 Meeting as proxy for that resolution will be treated as invalid.
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
 - a. if submitted by post, be deposited at Company's registered office at 33 Mactaggart Road, #04-00 Lee Kay Huan Building, Singapore 368082; or
 - b. if submitted electronically, be submitted via email to the Company at proxy@acesian.com,

in either case, not less than 48 hours before the time appointed for holding the AGM.

Printed copies of this proxy form will be sent to members, and may also be accessed at the Company's website at the URL <http://www.acesian.com> and on the SGX website at the URL <http://www.sgx.com/securities/company-announcements>. A member who wishes to submit an instrument of proxy must complete and sign it, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing a proxy or proxies is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing a proxy or proxies is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if such members are not shown to have Shares entered against their names in the Depository Register 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 1 April 2025.



ACESIAN PARTNERS LIMITED
33 Mactaggart Road,
#04-00 Lee Kay Huan Building,
Singapore 368082

Tel: (65) 6757 5310
Fax: (65) 6767 5319
www.acesian.com