ellipsiz

forward solutions

ANNUAL REPORT 2023

CORPORATE INFORMATION

BOARD OF DIRECTORS

David Ong Kim Huat
(Chairman and Independent Director)
Kelvin Lum Wen-Sum
(Chief Executive Officer and Executive Director)
Amos Leong Hong Kiat
(Independent Director)
Clement Leow Wee Kia
(Independent Director)
Iris Wu Hwee Tan
(Non-Independent Non-Executive Director)
Adrian Lum Wen-Hong
(Non-Independent Non-Executive Director)

AUDIT AND RISK COMMITTEE

Amos Leong Hong Kiat (Chairman)
David Ong Kim Huat
Clement Leow Wee Kia
Iris Wu Hwee Tan

NOMINATING COMMITTEE

Clement Leow Wee Kia (Chairman)
David Ong Kim Huat
Amos Leong Hong Kiat
Kelvin Lum Wen-Sum

REMUNERATION COMMITTEE

Clement Leow Wee Kia (Chairman)
David Ong Kim Huat
Amos Leong Hong Kiat

COMPANY SECRETARY

Chow Ching Sian

COMPANY REGISTRATION NO.

199408329R

REGISTERED OFFICE

54 Serangoon North Avenue 4
#05-02
Singapore 555854
Tel: (65) 6518 2200
Fax: (65) 6269 2638
Email: ir@ellipsiz.com
Website: www.ellipsiz.com

SHARE REGISTRAR

M & C Services Private Limited
112 Robinson Road
#05-01 Singapore 068902

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner-in-charge: Tan Soon Seng
(effective from the financial year ended
30 June 2023)

PRINCIPAL BANKERS

CIMB Bank Berhad
Citibank, N.A.
DBS Bank Ltd
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited

CONTENTS

VISION

We aim to be the best creator of value for our customers, business partners and stakeholders in markets that we participate in

MISSION

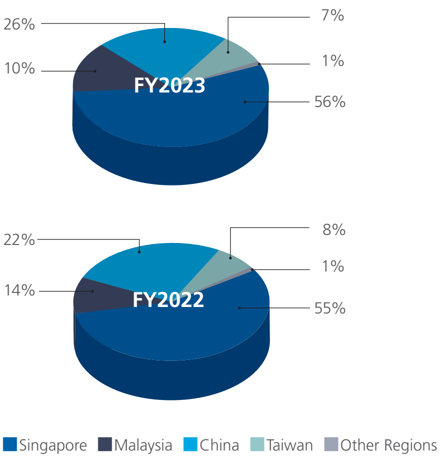
To enable our customers and business partners to achieve their goals optimally, we offer innovative and integrated solutions

FINANCIAL HIGHLIGHTS

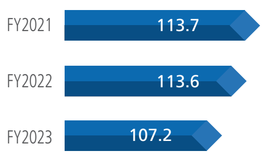
	2023 $' mil	2022 $' mil
RESULTS		
Revenue	59.1	55.6
Gross profit	11.7	12.1
Profit for the year	0.7	3.2
Final dividend per share (cent)	1.00[1]	1.00
FINANCIAL POSITION		
Total assets	140.5	143.9
Total liabilities	20.8	22.2
Shareholders' equity	107.2	113.6
FINANCIAL RATIOS		
Gross profit margin (%)	19.7	21.9
Earnings per share (cents)	1.23	1.65
NAV per share (cents)	64.47	68.18
Return on equity (%)	1.9	2.4
Current ratio (times)	3.8	3.9

1 Final dividend per share is subject to shareholders' approval at the Annual General Meeting to be held on 24 October 2023.

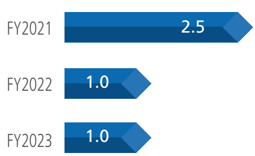
REVENUE BY REGION



SHAREHOLDERS' EQUITY ($ MILLION)



TOTAL DIVIDEND PAYOUT (CENTS)



LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS

It is my privilege to present on behalf of the Board of Directors of Ellipsiz Ltd, the Group's Annual Report for the financial year ended 30 June 2023 ("FY2023").

FY2023 continued to be a challenging year for businesses with the unprecedented supply chain disruptions and surge in inflation still reeling from the COVID-19 pandemic. While the global economy continues to face an uncertain outlook stemming from the negative spillovers of the on-going geopolitical tensions and war in Ukraine, the situation is further exacerbated by global climate change causing a wide range of impacts across regions and economic sectors. These have inevitably led to food protectionism being on the rise as countries impose export restrictions to safeguard local supplies for domestic consumption.

The Company had through its wholly-owned subsidiary, Ellipsiz Agro Investments Pte Ltd ("EAIPL"), made an acquisition of a 40% interest in ISE Capital Management Pte Ltd ("ICM") on 30 June 2022 (the "Initial Acquisition") and increased its interest in ICM to 80% during FY2023. ICM holds a 70% interest in ISE Foods Holdings Pte Ltd ("IFH") which will be developing Singapore's 4th commercial egg farm, in collaboration with one of the world's largest egg producers, to produce high quality eggs for local consumers. EAIPL had also entered into a shareholder loan agreement in July 2022 to extend a shareholder loan of up to $28.5 million to ICM (the "Shareholder Loan") for the ultimate purpose of meeting the costs in connection with the development of the commercial egg farm. Our investment in this Egg Production and Distribution ("EPD") business will enable the Group to contribute positively and participate directly in the nation-wide movement towards food security goal and sustainability development.

YEAR IN REVIEW

The Group had achieved revenue of $59.1 million in FY2023. Its net profit was $0.7 million and shareholders' equity stood at $107.2 million.

The increase in revenue by $3.5 million compared to the last financial year was attributed to the revenue contribution of $56.1 million from the Group's core business in providing Distribution and Services Solutions ("DSS") to customers in the semiconductor, electronics manufacturing and medical industries. Our DSS division has continued to deliver stable sales from both its Singapore and China operations, and had achieved higher equipment and consumables sales during the year. Gross profit for the year was $11.7 million, a decrease of $0.4 million as a result of change in product revenue mix.

Net profit of the Group for FY2023 of $0.7 million was significantly lower than the net profit of $3.2 million reported for the last financial year. The decrease in profit was because of the consolidation of expenses of the EPD business from 30 June 2022 as well as the lower fair value gain recognised on the land in Bintan, Indonesia. This decrease was partially mitigated by a higher finance income due to the higher interest rate environment.

The shareholders' equity of $107.2 million as of 30 June 2023 translates to 64.5 cents per share.

SHAREHOLDERS' RATIFICATION

In our Letter to Shareholders last year, we had explained that the Company was notified by Singapore Exchange Securities Trading Limited ("SGX-ST") that, pursuant to Rule 1005 of the Listing Manual of SGX-ST ("Listing Manual"), SGX-ST is of the view that both the Initial Acquisition and the Shareholder Loan should be aggregated and treated as if they were one transaction (collectively, the "Initial Transactions"). Under such circumstance, the

LETTER TO SHAREHOLDERS

relative figure computed on the basis set out in Rule 1006(c) of the Listing Manual would exceed 20% and hence the Initial Transactions constitutes a major transaction which requires shareholders' approval.

In April 2023, EAIPL acquired an additional 40% of the issued and paid-up share capital of ICM (the "Additional Acquisition") increasing its interest in ICM to 80%. The Additional Acquisition is a discloseable transaction as the relative figure computed on the basis set out in Rule 1006(c) of the Listing Manual exceeded 5% but did not exceed 20%.

Shareholders' approval by ratification for the Initial Transactions is required and, notwithstanding that the Additional Acquisition constitutes only a discloseable transaction and is not subject to shareholders' approval, the Company is voluntarily seeking ratification of the Additional Acquisition together with the Initial Transactions in order to provide shareholders with a complete picture of the investment, given that it is the Group's first foray into the EPD business, and would like shareholders to consider the investment holistically.

The Company will be convening an Extraordinary General Meeting immediately after the conclusion of the Annual General Meeting ("AGM") to be held on 24 October 2023, to table the ratification resolutions for both the Initial Transactions and the Additional Acquisition for shareholders' approval.

DIVIDENDS

For FY2023, the Board has recommended a final dividend of 1 cent per share, subject to shareholders' approval at our upcoming AGM in October.

LOOKING AHEAD

The semiconductor and electronics industry is expected to be facing an increasingly competitive landscape with reports from World Semiconductor Trade Statistics and SEMI projecting contraction in growth in 2023 as end markets see weaker demand especially those exposed to consumer spending. On a more positive note, both research houses had anticipated some recovery in 2024. Our DSS division will diligently be on the lookout for opportunities to broaden the product range it offers considering that Chinese companies are actively looking at setting up overseas productions in Southeast Asia on account of the ongoing geopolitical tension between the United States and China.

For our EPD investment, with the recent surge of Avian Influenza outbreaks and climate change around the world, IFH is in consultation with the relevant government bodies and is reviewing the biosecurity measures as well as development costs of the commercial egg farm. This may entail modifications to the design and/or layout plan of the farm, and such modifications may lead to delays in the development schedule and completion of the farm. We will provide relevant updates on the progress as and when there are further developments.

NOTE OF APPRECIATION

On behalf of the Board, I would like to convey our heartfelt appreciation to our shareholders, customers, business partners and principals for their continued support and confidence in the Group.

To my fellow Directors, I would like to express my deep appreciation for their insight, diverse perspectives and guidance; and to our management team and staff, thank you for your commitment and hard work.

In closing, let us strive to deliver enhanced value and returns to our stakeholders over the long term.

DAVID ONG KIM HUAT
Chairman and Independent Director
26 September 2023

BOARD OF DIRECTORS

DAVID ONG KIM HUAT
Chairman and Independent Director

Date of last election
25 October 2022

Board Committee
Audit and Risk Committee (Member)
Nominating Committee (Member)
Remuneration Committee (Member)

Mr David Ong was appointed the Chairman and an Independent Director of the Company on 27 January 2022.

Mr Ong began his professional career in 1989 and held senior marketing positions in various international companies, including American Express, Visa International, Reed Elsevier and Publicis. In 1998, he started Reddot Media Inc Pte Ltd, a company that specialises in providing media solutions to the tourism industry.

Mr Ong is currently the Managing Director of Reddot Media Inc Pte Ltd and also serves as a Non-Executive Independent Director of New Toyo International Holdings Ltd. He was formerly a Member of Parliament of Singapore from 2011 to 2016. He was awarded the Public Service Medal and Public Service Star in 2005 and 2009 respectively.

Mr Ong graduated from the University of Oregon, USA, with Bachelor of Science in Business Administration with double major in Marketing and Management.

Current directorship(s) in other listed company(ies)

- New Toyo International Holdings Ltd

Past 3 years' directorship(s) in other listed company(ies)

- MC Payment Limited (now known as OxPay Financial Limited)
- Hon Corporation Limited

BOARD OF DIRECTORS

KELVIN LUM WEN-SUM

Chief Executive Officer and Executive Director

Date of last election
25 October 2022

Board Committee
Nominating Committee (Member)

Mr Kelvin Lum has been an Executive Director of the Company since 1 March 2016 and was appointed the Chief Executive Officer with effect from 8 August 2018.

Mr Lum is responsible for the formulation and implementation of the overall business and corporate strategies of the Group. He oversees the management of the Group and is actively involved in its day-to-day operations. As part of his wide-ranging tasks, he is also responsible for spearheading the growth of the business, ensuring its sustainability, and developing strategic partnerships and alliances.

His deep understanding of the local and regional business landscape coupled with business savvy, provide him with insights to assess and evaluate new opportunities. Furthermore, his intimate knowledge of the diverse business functions gives him the leadership perspective to ensure that the business units are aligned with the Group's overall strategy and mission.

Prior to joining the Company, Mr Lum was the Managing Director of LCD Global Investments Ltd (now known as AF Global Limited) where he oversaw the group's strategic investments and global operations.

Mr Lum currently serves as a Non-Independent Non-Executive Director of Lum Chang Holdings Limited. He also sits on the School Management Committees of Nanyang Primary School and Nanyang Kindergarten, and is a director of Nanyang Girls' High School Ltd and Nanyang International Education (Holdings) Limited. Mr Lum also holds the position of Vice Chairman of both Nanyang Primary School and Nanyang Kindergarten.

Apart from his work commitments, Mr Lum is also an active supporter of grassroots initiatives. He currently serves as Patron of both the Marine Parade Community Club Building Fund Committee and The Hut, a charitable organisation that champions the all-rounded development of children and youth, as a catalyst for social mobility.

Mr Lum holds a Bachelor of Commerce from the University of Western Australia.

Current directorship(s) in other listed company(ies)

– Lum Chang Holdings Limited

Past 3 years' directorship(s) in other listed company(ies)

Nil

BOARD OF DIRECTORS

AMOS LEONG HONG KIAT
Independent Director

Date of last election
22 October 2021

Board Committee
Audit and Risk Committee (Chairman)
Nominating Committee (Member)
Remuneration Committee (Member)

Mr Amos Leong was appointed as an Independent Director of the Company since 1 May 2009. Mr Leong had obtained the approval of (a) all shareholders; and (b) shareholders, excluding the Directors and Chief Executive Officer of the Company and their associates, at the last annual general meeting of the Company held on 22 October 2021 for his continued appointment as an Independent Director.

Mr Leong, a veteran in the semiconductor and electronic manufacturing industries, has spent the last 18 years in a CDMO for biomedical devices and life science consumables, and he is currently a business partner in a biotechnology company in Singapore. He began his career in 1987 as a procurement engineer in Hewlett-Packard Singapore, and later served in various management roles in its Asia-Pacific operations and United States product divisions. He was subsequently appointed as the Vice President and General Manager for the electronics manufacturing and semiconductor test businesses at Agilent Technologies, following the spin-off from Hewlett-Packard. Following that, he had assumed the Chief Executive role of the Univac Group from 2004 till 2022.

Mr Leong has served as a member of Singapore Future Economy Council and the Emerging Stronger Taskforce. In 2021, he was appointed Deputy Chairman of Singapore Accreditation Council, and is a member of the Board of Directors for Enterprise Singapore. He is also a member of Singapore Polytechnic Board of Governors.

Mr Leong holds an Honours Degree in Electrical and Electronics Engineering from the National University of Singapore.

Current directorship(s) in other listed company(ies)

Nil

Past 3 years' directorship(s) in other listed company(ies)

Nil

BOARD OF DIRECTORS

CLEMENT LEOW WEE KIA
Independent Director

Date of last election
25 October 2022

Board Committee
Audit and Risk Committee (Member)
Nominating Committee (Chairman)
Remuneration Committee (Chairman)

Mr Clement Leow has been an Independent Director of the Company since 8 May 2015.

Mr Leow is the Managing Director, Head of Corporate Finance at GSUM Titanland Capital Pte Ltd. He was previously the Chief Executive Officer and an Executive Director of Allied Technologies Limited and Crowe Horwath Capital Pte Ltd. He was also the Head of Corporate Finance of Partners Capital (Singapore) Pte Ltd. Mr Leow, who has held senior positions in corporate finance and banking in Singapore, has over 20 years of corporate finance experience in initial public offering, mergers and acquisitions including corporate advisory transactions.

Mr Leow graduated from the Cornell University with a Bachelor of Science in Applied Economics and holds a Master of Business Administration degree as well as a Postgraduate Diploma in Financial Strategy from the University of Oxford. He completed the Governance as Leadership Program at Harvard University and serves as a member of the Singapore Institute of Directors. He is an Executive Committee member of the Singapore Tennis Association which oversees the national development of tennis and was awarded the Singapore Armed Forces Good Service Medal in 2007.

Current directorship(s) in other listed company(ies)

- Lum Chang Holdings Limited
- MSM International Limited
- Overseas Education Limited

Past 3 years' directorship(s) in other listed company(ies)

- Allied Technologies Limited

BOARD OF DIRECTORS

IRIS WU HWEE TAN
Non-Independent
Non-Executive Director

Date of last election
27 October 2020

Board Committee
Audit and Risk Committee (Member)

Ms Iris Wu was appointed as a Non-Independent Non-Executive Director of the Company on 8 January 2018. She was engaged by the Company as a consultant providing consultancy services on corporate matters to the Group since February 2018.

Ms Wu has over 30 years of financial and management experience. She was previously an Executive Director and the company secretary of LCD Global Investments Ltd (now known as AF Global Limited), overseeing an extensive corporate affairs portfolio covering financial, taxation, corporate secretarial and legal matters, and playing an active role in the execution of strategic decisions. Prior to that, Ms Wu held various financial positions and had started her career as an auditor with the then Price Waterhouse Singapore.

A Chartered Accountant of Singapore and a member of the Institute of Singapore Chartered Accountants, she holds a Bachelor of Commerce (Accountancy) degree from the then Nanyang University.

Current directorship(s) in other listed company(ies)

Nil

Past 3 years' directorship(s) in other listed company(ies)

Nil

BOARD OF DIRECTORS

ADRIAN LUM WEN-HONG

Non-Independent
Non-Executive Director

Date of last election
27 October 2020

Board Committee
Nil

Mr Adrian Lum was appointed as a Non-Independent Non-Executive Director of the Company on 8 January 2018.

Mr Lum currently serves as Director, Property Development of Lum Chang Holdings Limited ("LCH"). He oversees the property division of LCH and is responsible for formulating business strategy and identifying investment opportunities for the real estate and also the non-real estate segments, potential joint ventures and business acquisitions for LCH.

Prior to joining LCH in 2006, Mr Lum held management positions whilst working locally and abroad.

Mr Lum holds a Master's Degree in Engineering with First-Class Honours from The Imperial College, United Kingdom, and was awarded the Governor's MEng Prize for academic excellence.

Current directorship(s) in other listed company(ies)

– Lum Chang Holdings Limited *(Alternate Director)*

Past 3 years' directorship(s) in other listed company(ies)

Nil

KEY MANAGEMENT

CHOW CHING SIAN
Chief Financial Officer
Corporate Office

Ms Chow Ching Sian was appointed the Chief Financial Officer of Ellipsiz Ltd on 8 August 2018. She is responsible for the finance function including accounting, taxation, audit, treasury, compliance, legal and corporate secretarial functions of the Group. Ms Chow has over 20 years of experience in the areas of financial and management reporting, taxation, compliance, risk management, audit, acquisitions and divestments and equity fund-raising activities.

Prior to joining Ellipsiz Ltd, Ms Chow held various finance positions within Keppel Capital, the asset management arm of Keppel Corporation Limited. She was the Chief Financial Officer at Keppel DC REIT Management Pte Ltd, the Manager of Keppel DC REIT since August 2017, Senior Vice President at Keppel Infrastructure Fund Management Pte Ltd, the Trustee-Manager of Keppel Infrastructure Trust from May 2016 and Vice President at Keppel REIT Management Limited, the Manager of Keppel REIT, from December 2010.

Ms Chow started her career as an auditor with Deloitte and Touche LLP Singapore and held various finance positions in other listed corporations in Singapore.

Ms Chow holds a Bachelor of Accountancy degree from the Nanyang Technological University of Singapore. She is a member of the Institute of Singapore Chartered Accountants.

KEY MANAGEMENT

JOSEPH KANG BOON TECK
Chief Executive Officer
ISE Foods Holdings Pte Ltd

GUNG KWUN YUAN TONY
President
Distribution and Services Solutions

Mr Joseph Kang joined Ellipsiz Ltd as Vice President, Operations on 5 September 2018. He was appointed as Head of Corporate Development and Operations on 16 December 2019 and assisted the Chief Executive Officer of the Company in overseeing the strategic planning as well as the operational functions of the various business units. Mr Kang was involved in the Group's new investment in the egg production and distribution business and was seconded to ISE Foods Holdings Pte Ltd as its chief executive officer on 28 August 2023.

With over three decades of experience in semiconductor-related sales and marketing in Asia, Mr Kang was previously driving business development in Wireless Solutions Group at Microchip Technology and was responsible for the strategic planning and product line management in the Asia Pacific region. He had held sales and marketing positions in Sicon Semiconductor Asia Pacific and Zarlink Semiconductor Asia Pacific, where he established and managed extensive sales and distribution networks.

Mr Kang graduated with an Honours Degree in Business Management (Marketing) from the University of Bradford. He also holds a Graduate Diploma in Marketing Management from the Singapore Institute of Management and a Diploma in Electrical Engineering from the Ngee Ann Polytechnic.

Mr Tony Gung joined the Group as President, Distribution and Services Solutions ("DSS") on 3 February 2020. He oversees the strategic and operational functions of the DSS division of the Group.

Mr Gung was previously Vice President of the Group's DSS division in China and Taiwan as well as General Manager of the Group's probe card solutions division in Taiwan, prior to the Group's divestment of its probe card business in 2017. Following the divestment, Mr Gung joined SV Probe Technology Taiwan Co., Ltd as General Manager and Vice President.

Mr Gung has accumulated considerable sales, engineering and business management expertise in the electronics manufacturing test industry, particularly in China and Taiwan. He had held numerous engineering and managerial positions in Agilent Technologies, Hewlett Packard and one of IBM's strategically invested R&D company in Taiwan.

Mr Gung holds a Master's Degree in Control Engineering from the National Chiao Tung University, Taiwan.

OPERATIONS REVIEW

DISTRIBUTION AND SERVICES SOLUTIONS ("DSS")

Our DSS division focuses on the distribution of an extensive array of manufacturing, testing, and inspection/measurement tools. It also offers engineering and service-oriented solutions tailored to the needs of customers operating in the semiconductor and electronics manufacturing industries.

According to the report released by World Semiconductor Trade Statistics ("WSTS") in May 2023, the market size of the global semiconductor market was projected to be US$515.0 billion in 2023, indicating a downturn of 10.3%. WSTS had adjusted its growth projections downwards as inflation rises and end markets see weaker demand, especially those exposed to consumer spending. WSTS anticipated this would be followed by a robust recovery in 2024, with an estimated growth of 11.8%.

In the SEMI's July 2023 report, it had forecasted that the global sales of semiconductor manufacturing equipment by original equipment manufacturers in 2024 would bounce back from a projected contraction of 18.6% to US$87.4 billion in 2023 from the previous industry record of US$107.4 billion in 2022. The recovery in 2024 to US$100.0 billion was expected to be driven by both the front-end and back-end segments. Sales of wafer fab equipment, which includes wafer processing, fab facilities, and mask/reticle equipment, were projected to decrease 18.8% to US$76.4 billion in 2023 which was more than the 16.8% decline predicted by SEMI in the 2022 year-end forecast. The wafer fab equipment segment was projected to account for the bulk of the recovery to US$100.0 billion in 2024, generating US$87.8 billion in sales, a 14.8% increase.

OPERATIONS REVIEW

During the financial year, DSS achieved a revenue of $56.1 million and an operating profit of $3.2 million as it made considerable progress in its business development and sales initiatives in China. Chinese companies have been actively looking at setting up overseas production facilities in Southeast Asia countries like Singapore, Malaysia and Vietnam. This may enable our Group to expand its DSS business by broadening the range of products it offers through collaborations with various equipment suppliers from China.

AUTOMATED PRECISION SYSTEM SOLUTIONS ("APSS")

APSS is in the business of providing customised systems and solutions for test automation, high precision automated assembly process for fibre and lens as well as full automated wafer level testing solutions to the semiconductor and electronics manufacturing industries. In tandem with its core solutions, APSS is developing a portfolio of standard products under its own brand, with the aim to establish itself as an original equipment manufacturer (OEM). APSS and DSS collaborate and leverage on their respective strengths and capabilities to create value for the Group.

In financial year ended 30 June 2023, APSS generated $3.0 million revenue and incurred $0.6 million operating loss. Its performance was impacted by continual disruptions in supply chain as well as constraints in manpower. Despite these challenges, APSS remains committed to be relevant and agile through actively monitoring market developments and aligning its product offerings to effectively meet the demands of the market.

OPERATIONS REVIEW

EGG PRODUCTION AND DISTRIBUTION ("EPD")

The Group invested in the EPD business by acquiring an 80% interest in ISE Capital Management Pte Ltd ("ICM"). ICM holds a 70% interest in ISE Foods Holdings Pte Ltd ("IFH") which will be developing and operating the 4th egg farm in Singapore. The Group will be leveraging on agri-technologies and collaborating with one of the world's largest egg producers for this long-term project.

Due to land scarcity, Singapore imports over 90% of the food consumed locally. The effects of climate change as well as the recent COVID-19 pandemic and surge of Avian Influenza outbreaks have amplified the importance of safeguarding our country's food security. Singapore currently has 3 local egg farms supplying about 30% of the local egg consumption needs. The development of the 4th egg farm will boost the capacity of local farms to meet about half of Singapore's demand for eggs.

Currently at its planning stage, IFH is reviewing the design and/or layout of the farm to ensure measures are in place to mitigate potential biosecurity risks.

INVESTMENTS

The Group acquired and holds a piece of land spanning approximately 86 hectares in Bintan, Indonesia through PT Super Makmur Sejahtera, a subsidiary in which the Group has a 75% interest. The largest island in the Riau province, Bintan is renowned for its upscale resorts, world-class golf courses and magnificent coastal beauty, and is strongly promoted by Indonesia as the next prominent getaway destination after Bali. The land's strategic location on the northeastern coast of Bintan Island presents a diverse range of tourism-related options and opportunities that the Group can capitalise on.

FINANCIAL REVIEW

PERFORMANCE

The Group's revenue of $59.1 million for the financial year ended 30 June 2023 ("FY2023") was 6% higher than the $55.6 million recorded in the previous financial year ("FY2022"). The increase in revenue was contributed by Distribution and Services Solutions ("DSS") segment, from its higher sales in equipment and consumables which was partially offset by lower service and commission income. Gross profit margin had declined slightly by 2% from 22% to 20% due to a change in revenue mix.

Other income recorded in FY2023 was $1.1 million compared to $1.3 million in FY2022. The decrease was mainly due to lower dividend income which was partially offset by higher net foreign exchange gain.

The Group had recognised fair value gains on the land it owns in Bintan, Indonesia of $0.4 million and $1.9 million in FY2023 and FY2022 respectively based on valuations carried out by an independent professional valuer.

The Group's distribution and administrative expenses had increased from $11.7 million in FY2022 to $13.0 million in FY2023. The increase was mainly due to the consolidation of Egg Production and Distribution ("EPD") segment's expenses. Other expenses in FY2023 comprised fair value loss on financial assets.

The increase in finance income from $0.1 million in FY2022 to $1.2 million in FY2023 was mainly attributed to the higher interest rate environment. Finance costs recorded in FY2023 and FY2022 were comparable.

Overall, the Group recorded a net profit after tax of $0.7 million in FY2023 which was 78% lower than the net profit after tax of $3.2 million in FY2022. The significantly lower net profit was mainly due to the lower fair value gain on investment property and the consolidation of expenses of the EPD segment.

FINANCIAL POSITION

The shareholders' funds of the Group stood at $107.2 million as at 30 June 2023. This was $6.4 million lower than $113.6 million as at 30 June 2022. The decrease was mainly attributed to the acquisition of additional interest in ISE Capital Management Pte Ltd ("ICM") and payment of final dividend in respect of FY2022.

The Group's total assets was $140.5 million as at 30 June 2023 compared to $143.9 million as at 30 June 2022. The decrease was primarily due to the lower cash and cash equivalents and financial assets which were partially offset by a higher right-of-use assets. The increase in right-of-use assets was mainly attributed to the leasehold land alienated to ISE Foods Holdings Pte Ltd for the development of a commercial egg farm, a day-old-chick hatchery and a parent layer farm.

The Group's total liabilities was $20.8 million as at 30 June 2023 compared to $22.2 million as at 30 June 2022. The decrease was mainly due to the lower trade and other payables.

FINANCIAL REVIEW

CASH FLOWS AND LIQUIDITY

The Group's cash and cash equivalents decreased by $6.5 million from $61.7 million as at 30 June 2022 to $55.2 million as at 30 June 2023.

The decrease was mainly attributed to:

(a) net cash used of $9.5 million in investing activities, which was partially offset by;

(b) net cash generated of $3.0 million from financing activities; and

(c) net cash generated of $0.4 million from operating activities.

Net cash used in investing activities of $9.5 million in FY2023 was mainly for the payment of land premium and its ancillary costs, and the acquisition of additional interest in ICM.

Net cash generated from financing activities of $3.0 million in FY2023 mainly came from capital injections by non-controlling interests which was partially offset by payment of FY2022 final dividend approved at the Annual General Meeting in October 2022 and payment of lease liabilities.

The Group generated net cash of $0.4 million from its operating activities in FY2023 compared to $4.4 million in FY2022. The decrease in net cash from operating activities was attributed to lower profit generated from and higher cash used in operations.

SUSTAINABILITY REPORT

BOARD STATEMENT

The Board of Directors (the "Board") of Ellipsiz Ltd ("Ellipsiz", the "Company" or together with its subsidiaries, the "Group") is pleased to present its Sustainability Report ("Report") for the financial year ended 30 June 2023 ("FY2023" or "Reporting Period"). For this Report, we provide insight into the way we do business, while highlighting our environmental, social, governance ("ESG") factors, economic performance and customer experience (collectively as "Sustainability Factors").

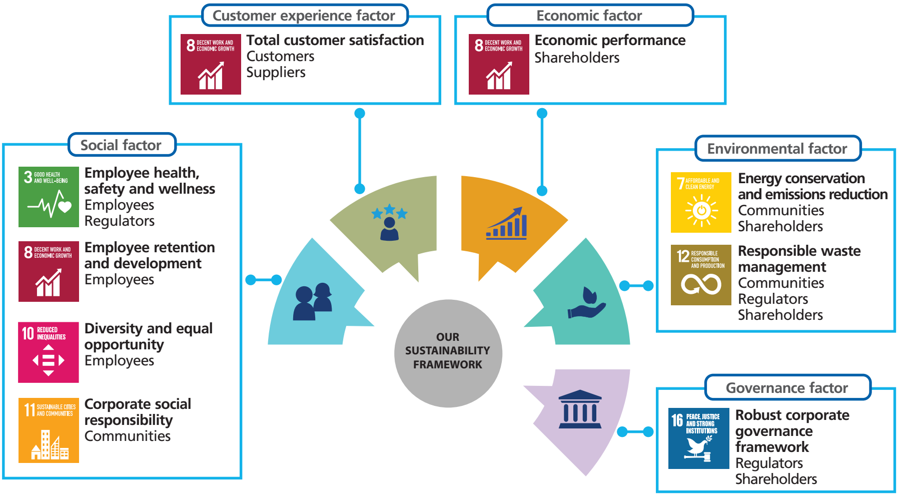
The Board is responsible for overseeing the business and corporate affairs of the Group, including sustainability matters. The Board believes that a responsible business approach is integral to our long-term success and have considered sustainability as part of our business strategy, determined the material Sustainability Factors and overseen the management and monitoring of our material Sustainability Factors. We are committed to adopting sustainable practices across our operations, empowering individuals, enriching communities, thereby creating a positive impact on the environment and society, so as to secure our long-term future.

As a business that strives towards growth and development, we remain vigilant against potential risks arising from emerging trends and new developments whilst looking out for business opportunities that they present. With increasing importance attached to sustainability and rising expectations amongst our key stakeholders, we aim to integrate our sustainability initiatives with our business strategy and constantly improve our sustainability performance to stay relevant and competitive.

A sustainability policy ("SR Policy") covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material Sustainability Factors, is in place to guide us in our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our material Sustainability Factors from time to time, considering the feedback that we receive from our engagement with our stakeholders as well as organisational and external developments.

SUSTAINABILITY REPORT

Our sustainability framework also communicates our commitment towards supporting the United Nations' Sustainable Development Goals ("SDGs"), also commonly known as the Global Goals. We work closely with stakeholders in our value chain and their inputs drive our sustainability focus on our material Sustainability Factors and the SDGs as follows:



A summary of our key sustainability performance in FY2023 is as follows:

Sustainability factor	Performance indicator	Sustainability performance FY2023	Sustainability performance FY2022
Economic	Revenue	\$59.1 million	\$55.6 million
	Net profit after tax	\$0.7 million	\$3.2 million
Environmental	Total GHG emissions (tonnes CO_2e)	72.3	67.5
	GHG emissions intensity (tonnes CO_2e/ revenue \$'000)	0.001	0.001
	Number of reported incidents of significant fines or non-monetary sanctions for non-compliance with applicable environmental laws and/or regulations	–	–

SUSTAINABILITY REPORT

Sustainability factor	Performance indicator	Sustainability performance	
		FY2023	FY2022
Social	Number of workplace fatalities	–	–
	Number of high consequence[1] work-related injuries	–	–
	Number of recordable work-related injuries[2]	–	–
	Number of work-related ill health cases[3]	–	–
	Turnover rate	10.2%	19.5%
	Average training hours per employee	2.4 hours	3.5 hours
	Number of reported incidents of unlawful discrimination[4] against employees	–	–
Governance	Number of incidents of corruption[5]	–	–

We thank our key stakeholders for their continuous support in our sustainability journey over the years. We will continue to actively and regularly engage them, build upon our existing sustainability framework, and seek to further inculcate good sustainable practices within our business to build a sustainable business for generations to come.

1 High consequence work-related injuries refer to injuries from which the worker cannot recover or cannot recover fully to pre-injury health status within 6 months.

2 Recordable work-related injuries refer to all work-related injuries that the Company is required to report to the Ministry of Manpower.

3 Work-related ill health cases refer to negative impacts on health arising from exposure to hazards at work.

4 Unlawful discrimination refers to an incident whereby the relevant authority has commenced investigation and resulted in a penalty to the Company.

5 A corruption incident is defined as one that involves fraud or dishonesty and is being or has been committed against the Company by its officers or employees. Such an incident is punishable by imprisonment for a term of not less than 2 years and the value of the property obtained or likely to be obtained from the commission of the offence amounts not less than $100,000.

SUSTAINABILITY REPORT

ABOUT US

Our Core Business

Ellipsiz was founded as a leading provider of integrated solutions in the electronics industry. Over the years, it has become one of the leading engineering and service solutions providers, serving customers in the semiconductor industry across Asia. Our current core business is in providing distribution and services solutions ("**DSS**") which distributes a wide range of manufacturing, testing and inspection/measurement equipment and offers engineering and service-oriented solutions to customers in the semiconductor and telecommunication industries. The supply chain structure of the DSS business is as follows:

Our Suppliers

Suppliers of leading equipments and products

Our Operations

Provision of solutions for in-circuit and functional testing, distribution and trading of scientific instruments and electronic equipment, and provision of engineering and service-oriented solutions

Our Customers

Customers in the semiconductor industry across Asia

VISION

We aim to be the best creator of value for our customers, business partners and stakeholders in markets that we participate in

MISSION

To enable our customers and business partners to achieve their goals optimally, we offer innovative and integrated solutions

SUSTAINABILITY REPORT

Our Vision and Mission

Our Core Values

Our core values keep the inner workings of our brand in check. They shape our culture and define our beliefs and practices, allowing us to achieve the results we desire and to continually develop and improve our services to our customers.

VALUES

Our People

As at 30 June 2023, the total number of permanent full-time employees[6] by country is as follows:

Singapore	Taiwan	China	Malaysia	Total
58	16	18	14	106

[6] The total number of temporary employees, part-time employees and non-guaranteed hours employees is zero as at 30 June 2023 and thus not disclosed.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

Reporting Framework

This Report is prepared in accordance with 711A and 711B of the Singapore Exchange Securities Trading Limited ("SGX-ST") listing rules. The Company has prepared this Report with reference to the Global Reporting Initiative ("GRI") Standards. We have chosen to report using the GRI framework as it is an internationally recognised reporting framework. The GRI content index can be found in the Appendix of this Report.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we have mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which was adopted by all United Nations Member States in 2015 ("UN Sustainability Agenda"). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are 17 SDGs, which form an urgent call for action by all countries – developed and developing – in a global partnership. We have incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

We are also guided by the recommendations of the Taskforce on Climate-related Financial Disclosures ("TCFD") in our climate-related disclosures.

We relied on internal data monitoring and verification to ensure accuracy for this Sustainability Report. Internal review on the sustainability reporting process has been incorporated as part of our internal audit review cycle and we will work towards external assurance for our future sustainability reports.

Reporting Scope

This Report articulates our strategies and practices in key aspects of sustainability and provides a detailed account of our sustainability performance in our operations. Our reporting scope covers the following key operating entities within the Group's DSS operations in Singapore, Taiwan, China and Malaysia, which contributed to more than 90% of the Group's revenue for FY2023 (FY2022: more than 90%):

S/N	Entity	Location
1	Ellipsiz Ltd	Singapore
2	Ellipsiz DSS Pte. Ltd.	Singapore
3	Ellipsiz iNETest (Suzhou) Co., Ltd.	China
4	Ellipsiz iNETest (Shanghai) Co., Ltd.	China
5	Ellipsiz iNETest Co., Ltd.	Taiwan
6	iNETest Malaysia Sdn. Bhd.	Malaysia

A sustainability report is being published annually in accordance with our SR Policy.

Feedback

If you wish to provide feedback on this Report, please reach out to us at ir@ellipsiz.com.

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

Key to building an effective organisation is to uphold a healthy company culture, which amongst others, places emphasis on interaction with key stakeholders. We value our key stakeholders and believe that regular engagements with them generate new ideas and encourage co-operation, which will improve the organisation's sustainability performance as well as increase the organisation's overall effectiveness in the long run.

Through an internal stakeholder mapping exercise, we have identified key stakeholder groups which we prioritise our engagements with. They include entities and individuals that can reasonably be expected to be significantly affected by our activities, products or services and whose actions can reasonably affect our ability to implement our strategies to achieve our objectives.

Our efforts are focused on creating sustainable value for our key stakeholders, which comprise communities, customers, employees, government and regulators ("Regulators"), shareholders and investors ("Shareholders"), and suppliers. Key stakeholders are determined for each Sustainability Factor identified, based on the extent to which they affect/can affect or are/can be affected by the Group.

We believe that it is necessary to make time and effort in acknowledging and understanding our key stakeholders' material concerns and expectations. Through the following formal and informal engagements with our key stakeholders, we are able to develop mutually beneficial relationships and ensure a smooth operation within the organisation:

S/N	Key stakeholder	Material concerns of stakeholder	Engagement frequency	Engagement mechanism
1	Communities	• Corporate social responsibility • Environmental initiatives	Ongoing	Engagements with community projects and charities
2	Customers	Quality of products and services provided	Ongoing	Regular dialogue with customers to understand their needs and collect their feedback
			Ongoing	Designated representatives to handle customers' orders and requests

SUSTAINABILITY REPORT

S/N	Key stakeholder	Material concerns of stakeholder	Engagement frequency	Engagement mechanism
3	Employees	• Equal employment opportunities • Career development and training opportunities • Job security • Remuneration • Workplace health and safety	Regularly	• Orientation conducted for new employees to familiarise them with the Group's business, management and policies • Training and career development plans • Social and team-building activities • Employees' welfare and benefits
			Annually	Career development performance appraisal
4	Regulators	Regulatory and compliance risk	As and when required	• Board and management are kept abreast of new policies, regulations and guidelines launched and implemented by government and regulators such as Ministry of Manpower, SGX-ST, National Environment Agency and Health Sciences Authority • Seminars or courses attended by Board/ management on developments in relevant laws and regulations

SUSTAINABILITY REPORT

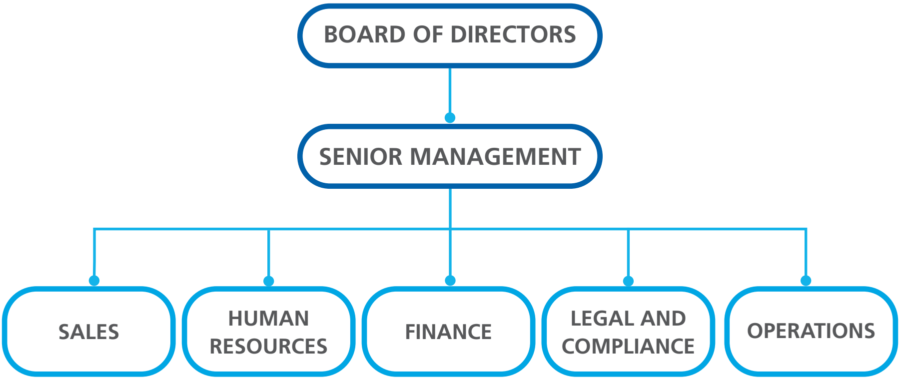
S/N	Key stakeholder	Material concerns of stakeholder	Engagement frequency	Engagement mechanism
5	Shareholders	Economic and industry trends, Group performance and corporate governance	Regularly	Shareholders are kept abreast of the Company's key developments through press releases, corporate website, announcements via SGX website and Annual Reports
			Annually	Annual General Meetings are conducted to engage our Shareholders
			Ongoing	Dedicated investor relations page on the Company's corporate website
6	Suppliers	Loss of key products distributorships and service contracts	As and when required	• Regular meetings with suppliers to exchange ideas and areas of concern • Routine and ongoing communication with suppliers to keep them informed on strategies and plans

SUSTAINABILITY REPORT

OUR SUSTAINABILITY APPROACH

Sustainability Governance Structure

The Board is responsible for overseeing sustainability matters and is supported by a team comprising senior management of the Group. The team reviews, assesses and makes recommendations to the Board on sustainability matters. It initiates, drives, and monitors various aspects of the Group's sustainability practices, ensuring effective integration of sustainability initiatives into the business operations and corporate objectives.



SUSTAINABILITY REPORT

Sustainability Reporting Process

Under our SR Policy, our sustainability process begins with an understanding of the Group's context. This is followed by the ongoing identification and assessment of the Group's impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of material Sustainability Factors disclosed in this Report. Processes involved are shown in the chart below:

Context
Understand the Group's context by considering its activities, business relationships, stakeholders, and sustainability context of all the entities it controls or has an interest in, including non-controlling interests

Identification
Identify actual and potential impacts on the economy, environment, people and their human rights

Rating
Assess the pervasiveness of Sustainability Factors across the Group and cluster similar Sustainability Factors

Prioritisation
Prioritise the impacts based on their significance to determine the material Sustainability Factors for reporting

Validate
Sustainability factors will be internally validated by the leadership team

Review
In each reporting period, review the material Sustainability Factors from the previous reporting period to account for changes in impacts which can result from feedback received from engagement with stakeholders, organisational and external developments

SUSTAINABILITY REPORT

Materiality Assessment

Under our SR Policy, we assessed our Sustainability Factors based on their impact on our ability to create value for our stakeholders. Impacts, positive and negative, actual and potential, are assessed based on: (i) the likelihood of occurrence ("Likelihood of Impact"); and (ii) their significance on the economy, environment, people and their human rights and contribution to sustainable development ("Significance of Impact").

Performance Tracking and Reporting

We track the progress of our material Sustainability Factors by identifying the relevant data points, measuring and monitoring them. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability. We shall consistently enhance our performance-monitoring processes and improve our data capturing systems.

SUSTAINABILITY REPORT

MATERIAL FACTORS

In FY2023, a materiality assessment was conducted by the senior management and representatives from various departments to understand the concerns and expectations of our stakeholders. Through the materiality assessment, Sustainability Factors material to our business were updated. In this Report, we present our progress in managing these Sustainability Factors and set related targets to improve our sustainability performance.

Presented below is a list of our material Sustainability Factors:

S/N	Material Sustainability Factor	SDG	Key stakeholder
Customer Experience			
1	Total customer satisfaction	Decent work and economic growth	• Customers • Suppliers
Economic			
2	Economic performance	Decent work and economic growth	• Shareholders
Environmental			
3	Energy conservation and emissions reduction	Affordable and clean energy	• Communities • Shareholders
4	Responsible waste management	Responsible consumption and production	• Communities • Regulators • Shareholders
Social			
5	Employee health, safety and wellness	Good health and well-being	• Employees • Regulators
6	Employee retention and development	Decent work and economic growth	• Employees
7	Diversity and equal opportunity	Reduced inequalities	• Employees
8	Corporate social responsibility	Sustainable cities and communities	• Communities
Governance			
9	Robust corporate governance framework	Peace, justice and strong institutions	• Regulators • Shareholders

SUSTAINABILITY REPORT

CUSTOMER EXPERIENCE

Total Customer Satisfaction

We are committed to build a loyal customer base for our long-term sustainability by maximising customer's satisfaction through the following:

Offer an extensive product portfolio that meets market needs

Our products

We offer a comprehensive portfolio of products and services to cater to the needs of our customers within the semiconductor and electronics ecosystem. Our product listing can be found at our website: https://www.ellipsizdss.com/products/.

SUSTAINABILITY REPORT

Maintain presence and proximity to our customers
We have offices in Singapore, Malaysia, China and Taiwan. This geographical footprint brings us closer to the markets we serve and more importantly, closer to our customers to serve them better.

Ensuring suppliers adopt market standards on product quality
Our key suppliers are certified under internationally recognised quality standards, such as the following, to maintain product quality and safety:

Standard/certification	Area
ISO 9001:2015	Quality management system
ISO 12100:2010	Safety of machinery
ISO 45001:2018	Occupational health and safety management system
ISO 14001:2015	Environmental management system
ISO/IEC 27001:2022	Information security management system
ISO/IEC 17025:2017	Testing and calibration laboratories

Target for FY2023	Performance in FY2023	Target for FY2024
Not applicable as this is a newly disclosed Sustainability Factor in this Report	Market standards are adopted by our suppliers to ensure quality and safety in our products and services	Ensure that our suppliers adhere to market standards

SUSTAINABILITY REPORT

ECONOMIC

Economic Performance

We believe in creating long-term economic value for shareholders by striking a balance between rewarding shareholders by way of delivering profits, dividend payments and maintaining a robust balance sheet with strong operating cash flows.

Details of our financial performance can be found in the Financial Review section and the audited financial statements of this Annual Report.

Target for FY2023	Performance in FY2023	Target for FY2024
Not applicable as this is a newly disclosed Sustainability Factor in this Report	• Our FY2023 revenue of $59.1 million was 6% higher than the $55.6 million recorded in FY2022 • We recorded a net profit after tax of $0.7 million in FY2023 which was 78% lower than the net profit after tax of $3.2 million in FY2022. The lower net profit was mainly due to the lower fair value gain on investment property and the consolidation of expenses of the egg production and distribution business	Maintain or improve financial performance subject to market conditions

SUSTAINABILITY REPORT

ENVIRONMENTAL

Energy Conservation and Emissions Reduction

In order to mitigate the negative impacts of climate change, we are committed to responsible usage of energy resources and emissions reduction through enhancing our energy efficiency.

We rely mainly on the following energy sources to run our operations:

- Diesel for forklift; and
- Purchased electricity for lighting, office work, cooling and ventilation.

Key statistics on energy consumption and GHG emissions during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2023	FY2022
Energy consumption			
Diesel consumption	litre	7,753	6,899
Electricity consumption	kWh	109,656	106,290
Energy consumption intensity			
Diesel consumption intensity	litre/revenue $'000	0.13	0.12
Electricity consumption intensity	kWh/revenue $'000	1.85	1.91
GHG emissions			
Direct GHG emissions (Scope 1[7])	tonnes CO_2e	21.1	18.8
Indirect GHG emissions (Scope 2[8])	tonnes CO_2e	51.3	48.7
Total GHG emissions[9]	tonnes CO_2e	72.4	67.5
GHG emissions intensity			
GHG emissions intensity	tonnes CO_2e/revenue $'000	0.001	0.001

[7] GHG emissions from consumption of diesel controlled by the Company (Scope 1) are calculated based on the Greenhouse Gas (GHG) Emissions Measurement and Reporting Guidelines published by the Intergovernmental Panel on Climate Change.

[8] GHG emissions from electricity purchased by the Company (Scope 2) are calculated based on the emissions factors published by the relevant local authorities.

[9] Our GHG emissions is not expected to be material due to our business nature as a distributor.

SUSTAINABILITY REPORT

We believe that responsible usage of energy resources results in lesser GHG emissions and thus helps to preserve the environment. Key initiatives on this front are as follows:

- We track and review spending on energy consumption regularly to control usage and corrective actions are taken when there are unusual consumption patterns;

- We constantly remind our staff on basic and socially responsible habits at their workplaces such as adopting greener work ethics, switching off appliances if not in use and enabling power saving mode; and

- We constantly identify and implement energy conservation measures such as the use of LED lights which are made of non-toxic materials, with a view to lowering the environmental impact of lightings as well as to improve energy efficiency and reduce energy consumption cost.

Target for FY2023	Performance in FY2023	Target for FY2024
Not applicable as this is a newly disclosed Sustainability Factor in this Report	No material changes in GHG emissions intensity	Reduce or maintain GHG emissions intensity

Responsible Waste Management

Our planet provides us with an abundance of natural resources. We recognise that environmental preservation through efficient waste management such as reducing and recycling allows us to operate responsibly and in a sustainable manner. Our waste management measures include:

Move towards a paperless working environment

We are moving towards the use of e-paper and going paperless in our workplace by embarking on digital transformation through digitising paper-based processes and documents. Such an initiative also increases our productivity through reducing time spent on physical activities such as filing, photocopying and maintaining paper trail. We have substantially reduced our paper consumption through this initiative.

In addition, we no longer mail printed copies of our annual reports and circulars to shareholders, physical copies are made available when required under the listing manual of the SGX-ST or upon request by shareholders. The annual reports and circulars are available for download at a dedicated investor relations page of our corporate website at https://www.ellipsiz.com/investor-relations/newsroom/ as well as the SGX website. We encourage shareholders to support our sustainability efforts and embrace e-communications.

SUSTAINABILITY REPORT

Proper waste management and disposal
Types of waste generated in our operations include general waste and e-waste. We recognise that proper disposal of waste is necessary for being environmentally responsible and often required by law. In FY2023, there were no significant fines or non-monetary non-compliance with environmental laws and/or regulations during the Reporting Period.

Target for FY2023	Performance in FY2023	Target for FY2024
Continue to maintain zero incident of significant fines or non-monetary sanctions for non-compliance with applicable environmental laws and/or regulations	Maintained zero incident of significant fines or non-monetary sanctions for non-compliance with applicable environmental laws and/or regulations	Maintain zero incident of significant fines or non-monetary sanctions for non-compliance with applicable environmental laws and/or regulations

SOCIAL

Employee health, safety and wellness

In our daily operations, employees at our warehouse have to handle heavy lifting equipment such as a forklift to move the inventories. Accordingly, we are committed to maintaining a safety-conscious culture amongst our employees. We attained bizSAFE Level 3 certification issued by the Workplace Safety and Health Council for our operations in Singapore. This certification recognises our continuous efforts to embed a positive health and safety culture in our operations.

During the Reporting Period, we did not record any workplace fatalities, high-consequence work-related injuries, recordable work-related injuries or work-related ill health cases, similar to FY2022.

To support the well-being of our employees, we provide employee benefits schemes such as medical and insurance coverage. We also provide leave schemes to support our employees in having and raising children such as maternity leave, paternity leave, shared parental leave, childcare leave and unpaid infant care leave.

Target for FY2023	Performance in FY2023	Target for FY2024
Not applicable as this is a newly disclosed Sustainability Factor in this Report.	Maintained zero incident of fatalities, high-consequence work-related injuries, recordable work-related injuries and ill health cases	On-going and long-term target Maintain or reduce the number of recordable work-related injuries and ill health cases

SUSTAINABILITY REPORT

Employee Retention and Development

Our employees are the drivers of our business and we believe in creating a respectful, rewarding and safe working environment for them. With the competitive landscape in hiring, employee retention is a key concern for the Group. As at 30 June 2023, the Group has 106 employees (as at 30 June 2022: 109 employees).

At Ellipsiz, we are committed to providing an environment where the dedication and commitment of our people are recognised. In recognising the contributions and efforts of our employees who have performed beyond the call of duties and showed their commitment towards our vision and mission, we make it a point to award such employees with the Outstanding Staff Award. For long-serving employees, we award them with the Long-Service Award. The Long-Service Award recognises years of employment starting from the fifth year, in five-year intervals.

To remain as an attractive employer, we ensure that all our employees are provided with competitive and market-aligned remuneration, welfare and benefits such as medical and dental benefits, relevant insurance coverage and annual leave entitlement as well as additional leave entitlement on eligibility such as marriage, compassionate, maternity and paternity leaves. We adhere strictly to the basic terms of employment stipulated by national laws in the countries where we operate to safeguard the legitimate rights and benefits of our employees.

<u>New employee hires</u>

In FY2023, the total number of new employees hired was 8 (FY2022: 14 new employees hired). Key statistics on new employee hires by gender and age group are as follows:

Disclosure	FY2023		FY2022	
	Number	Percentage	Number	Percentage
Gender				
Male	5	62.5%	9	64.3%
Female	3	37.5%	5	35.7%
Age				
Above 50	2	25.0%	3	21.4%
30 to 50	4	50.0%	8	57.2%
Below 30	2	25.0%	3	21.4%

SUSTAINABILITY REPORT

Employee turnover

Key statistics on employee turnover by gender and age group are as follows:

Disclosure	FY2023		FY2022	
	Number	Percentage	Number	Percentage
Overall	11	10.2%	23	19.5%
Gender				
Male	7	63.6%	16	69.6%
Female	4	36.4%	7	30.4%
Age				
Above 50	1	9.1%	2	8.7%
30 to 50	10	90.9%	18	78.3%
Below 30	–	–	3	13.0%

Robust employee performance appraisal system

A fair appraisal system, which is carried out annually, supports our remuneration practices, opportunities for advancement and promotion, recognition of achievements, training requirements and other conditions of employment.

We aim to appraise our employees at least once a year through an annual performance appraisal, which includes an open discussion of the employee's performance, training, development and long-term career goals. During the Reporting Period, all eligible employees received performance appraisals (FY2022: 100%).

Employee training and education

With the rapid technological and market changes in our industry, it is vital for our employees to keep themselves abreast of the latest industry developments. To this end, we encourage and support our employees to constantly develop and improve their knowledge and skillsets through participating in various upgrading and career development programmes. During the Reporting Period, our full-time employees attended in-house and external trainings which cover typically functional topics related to their areas of work. We aim to groom and train dedicated individuals and invest time and effort in them so that they can take on more responsibilities and grow with the Group.

SUSTAINABILITY REPORT

We place a high priority on the competency development as we believe that an effective employee training programme is vital to employee retention and the long-term success of our business. In FY2023, our employees received approximately 2.4 hours of training per employee (FY2022: 3.5 hours of training per employee).

Disclosure	FY2023		FY2022	
	Male	Female	Male	Female
Total training hours	191	60	180	200
Average training hours per employee	2.8	1.5	2.6	5.0

As our business travel increased in FY2023 following the passing of COVID-19 pandemic, we logged less training conducted for our employees. We will continue to invest in training and development to enhance our competencies, that is, not limited to functional skills but also in areas such as leadership capabilities and team performance.

As part of our continual efforts to upgrade the knowledge of our directors on sustainability reporting and to meet the requirement of listing rule 720(7) of SGX-ST, we confirm that all Directors attended one of the approved sustainability training courses.

Target for FY2023	Performance in FY2023	Target for FY2024
Achieve an employee turnover rate of not more than 15% of the total number of employees as at 30 June 2022	Achieved an employee turnover rate of not more than 15% of the total number of employees as at 30 June 2023	Maintain or improve employee turnover rate subject to market conditions

Diversity and Equal Opportunity

At Ellipsiz, we believe that the success and growth of our business depends on the continued efforts and abilities of our employees. We recognise the importance of creating an all-inclusive environment where our people can treat each other respectfully and equally and embrace diversity as the differences in background and experience of each employee will make our Group more vibrant and innovative. Accordingly, we are committed to creating an environment that provides non-discrimination and equal opportunities and benefits to each employee, regardless of race, religion, gender or age. This is implemented through our Employees' Code of Conduct and Ethics Policy ("Code of Conduct"), which sets our position against discrimination in any form.

We select and recruit employees based on merit (such as skills, experience or ability to perform the job) regardless of their age, race, gender, religion, marital status and family responsibilities. Employees are hired based on an individual's competencies, skillsets, organisational and job fit.

SUSTAINABILITY REPORT

Gender diversity (%)
We view diversity at the Board level as an element in supporting sustainable development, and in relation to gender diversity, we have one (FY2022: one) female Board member or 17% (FY2022: 17%) female representation on the Board. Key statistics on gender diversity of our employees are as follows:

Disclosure	FY2023		FY2022	
	Male	Female	Male	Female
Overall	63.2%	36.8%	63.3%	36.7%
Management level				
Management	73.5%	26.5%	72.2%	27.8%
Non-management	58.3%	41.7%	57.5%	42.5%

Age diversity (%)
We maintain a fair and open employment policy through providing fair employment opportunities to both young and mature employees. Key statistics on age diversity of our employees are as follows:

Disclosure	FY2023			FY2022		
	Below 30	30 – 50	Over 50	Below 30	30 – 50	Over 50
Overall	4.7%	61.3%	34.0%	2.7%	67.0%	30.3%
Management level						
Management	–	47.1%	52.9%	–	58.3%	41.7%
Non-management	6.9%	68.1%	25.0%	4.1%	71.2%	24.7%

Educational diversity (%)
On diversity in educational background, we seek to create an inclusive environment for employees from different educational background. The breakdown of employees by educational level is as follows:

Educational qualification	FY2023	FY2022
Tertiary	79.2%	78.0%
Non-tertiary	20.8%	22.0%

During the Reporting Period, we have no reported incident of unlawful discrimination against employees (FY2022: zero incident).

Target for FY2023	Performance in FY2023	Target for FY2024
Continue to maintain zero discrimination case within the Group	Maintained zero discrimination case within the Group	On-going and long-term target Maintain zero reported incident of unlawful discrimination against employees

Corporate Social Responsibility

One of our goals as a responsible and caring organisation is to give back to the society. We actively integrate corporate social responsibility into our sustainable business practices, with an aim to generate a positive outcome and to make a difference for the community. We believe that every act of kindness goes a long way, and everyone has a part to play in building a gracious society.

We encourage our employees to engage in corporate social responsibility programmes, with the intent of raising awareness and cultivating a sense of social responsibility towards the less privileged in our society. In FY2023, we partnered TOUCH Community Services and contributed $10,000 to its Touch Young Arrows ("TYA") Programme. We also accompanied children and youth from low-income families or single-parent families under the TYA Programme on an outing to Superpark Singapore. A total of 77 hours were committed by staff under the initiative. TOUCH Community Services is a not-for-profit charity organisation with services reaching out to children or youth, families in need, persons with special or healthcare needs or seniors. TYA Programme serves over 500 children from underprivileged background through 25 TYA Clubs in Singapore. Moving forward, we will continue doing our part for the society, through different ways of partnering the less privileged.

Target for FY2023	Performance in FY2023	Target for FY2024
Not applicable as this is a newly disclosed Sustainability Factor in this Report	Initiated a community engagement campaign	On-going and long-term target Continue to participate in various campaigns to help the communities

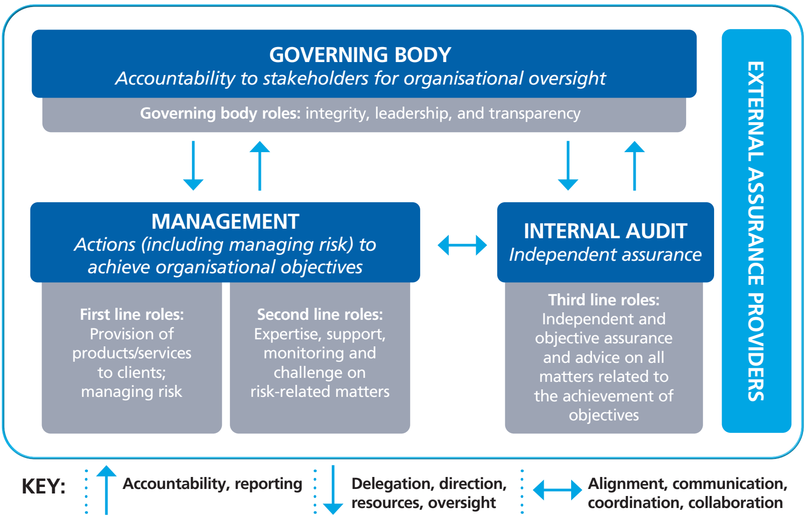
SUSTAINABILITY REPORT

GOVERNANCE

Robust Corporate Governance Framework

We are committed to high standards of corporate governance as corporate governance is integral in ensuring sustainability of our business as well as safeguarding shareholders' interest and maximising long-term shareholder value.

We aligned our corporate governance and risk management approach with the Three Lines Model issued by the Institute of Internal Auditors ("IIA"). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first and second line roles), internal audit (third line roles) and the relationship among them are defined as follows:



Source: Three Lines Model issued by the IIA

As an organisation that upholds business integrity, we have zero tolerance towards any forms of corruption. All our employees are expected to strictly observe integrity and to conduct themselves in a professional and ethical manner in their course of work. Corrupt practices could subject the Group and individuals concerned to criminal and civil liabilities and may adversely affect the Group's reputation.

SUSTAINABILITY REPORT

The Group's Code of Conduct sets out, *inter alia*, the guidelines for acceptable codes of ethics in a workplace and for dealings with suppliers and customers. As part of our yearly exercise, the Code of Conduct is sent to all employees to read and refresh themselves of the guidelines set out therein. Employees who are of executive level and above are required to complete an online declaration form to confirm that he or she complied with the Code of Conduct during the financial year. Where there is any non-compliance with the Code of Conduct, they are required to disclose the details of such non-compliance.

In addition, the Group has a whistleblowing policy in place to promote good ethical standards, integrity and governance in the corporate conduct and business practices of the Group. The whistleblowing policy provides an avenue for our employees to raise in confidence, concerns about actual or suspected improprieties about, amongst others, financial reporting, internal controls, corruption, bribery and fraud, and offer assurance that employees raising such concerns in good faith will be protected from reprisals for whistleblowing. The independent Directors of the Company are responsible for overseeing and monitoring of whistleblowing channel, including investigation of whistleblowing complaints (including complaints made anonymously) which are made in good faith. Whistleblowing concerns received will be handled in accordance with the procedures set out in the whistleblowing policy, including appropriate course of actions. Our whistleblowing policy is made available to all employees through an employees' portal, and is reviewed and updated from time to time to ensure that it remains current and applicable.

Internal audits are conducted periodically on our Group entities to monitor, amongst others, the risk of corruption. In the event any of such risk arises, it will be reported to the management and the Audit and Risk Committee of the Company. There were no reported incidents of corruption in FY2023 (FY2022: zero incident). Nonetheless, we remain vigilant in ensuring that our employees conduct themselves with the highest standards of integrity and accountability.

Target for FY2023	Performance in FY2023	Target for FY2024
Continue to maintain zero incident of corruption	Maintained zero incident of corruption	On-going and long-term target Maintain zero incident of corruption

SUSTAINABILITY REPORT

SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS

We have incorporated the SDGs under the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, where appropriate, as a supporting framework to shape and guide our sustainability strategy. The results shown below are how our Sustainability Factors relate to these SDGs:

SDG		Our effort
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	Employee health, safety and wellness We implement measures to ensure that the environment our employees work in is both safe and secure, as well as to maintain the physical and mental health of our employees.
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all	Energy conservation and emissions reduction We adopt environmentally friendly habits to reduce our GHG emissions.
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Total customer satisfaction We place heavy emphasis on customer satisfaction as we understand that maintaining a high level of customer satisfaction is essential to the continued success of our business. This in turn helps to contribute to economic growth. Economic performance We contribute to economic growth through creating long-term value for our shareholders. Employee retention and development We invest in training, education and development of our people to enhance our business competencies, create decent and fulfilling jobs and contribute to economic growth.

SUSTAINABILITY REPORT

SDG		Our effort
10 REDUCED INEQUALITIES	Reduce inequality within and among countries	<u>Diversity and equal opportunity</u> We create a diverse and inclusive workplace that will bring new perspectives to our business and strengthen our ability to overcome new challenges.
11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities and human settlements inclusive, safe, resilient and sustainable	<u>Corporate social responsibility</u> We encourage our employees to engage in corporate social responsibility programmes, with the intent of raising awareness and cultivating a sense of social responsibility towards the less privileged in our society.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	<u>Responsible waste management</u> We manage waste generated from our business operations in a responsible manner.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<u>Robust corporate governance framework</u> We are committed to high standards of corporate governance as we believe that a high standard of corporate governance is integral in ensuring the sustainability of our businesses as well as safeguarding shareholders' interests and maximising long-term shareholder value.

SUSTAINABILITY REPORT

SUPPORTING THE TCFD

We are also committed to support the recommendations by the TCFD and have disclosed some of our climate-related financial disclosures in the following key areas as recommended by the TCFD:

TCFD recommended disclosures
Governance
a. Describe the board's oversight of climate-related risks and opportunities.
The Board oversees the management and monitoring of the Sustainability Factors and consider climate-related issues in determining the Group's strategic direction and policies.
b. Describe management's role in assessing and managing climate-related risks and opportunities.
Our sustainability strategy is developed and directed by the senior management in consultation with the Board. The responsibilities of the senior management include considering climate-related issues in the development of sustainability strategy, target setting, as well as collection, monitoring and reporting of performance data.
Strategy
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. ***b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.***
The climate-related risks and opportunities identified by the Group during its climate-related risk assessment are as follows: • The reputational and financial risks for not meeting the demands of regulators and shareholders amidst the enhanced emissions reporting requirements; and • On the other hand, such obligations raise climate awareness amongst our employees and with more defined job responsibilities and training, the Group will be in a better position to meet the rising needs and expectation of our customers on the environment. These climate-related risks and opportunities remain valid for the Group for the purpose of planning and decision making, and will be updated periodically or where there is a major change in our business model.
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
We are currently looking into conducting climate-related scenario analysis consistent with the recommendation, wherever possible, using commonly agreed sector/subsector scenarios and time horizons.

TCFD recommended disclosures
Risk management
a. Describe the organisation's processes for identifying and assessing climate-related risks. ***b. Describe the organisation's processes for managing climate-related risks.*** ***c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.***
The Group's climate related risks and opportunities are identified and assessed during a climate-related risk assessment exercise. We also manage our climate-related risks by monitoring the trend of climate-related performance indicators. Under the assessment, business units and support functions are responsible for identifying and documenting their relevant risk exposures that might hinder their progress towards contributing to the Group's business objectives. We will integrate the climate-related risks into our risk management framework in the future.
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.
We track, measure and report on our environmental performance, including energy and waste management and disclose related metrics in our Report. Monitoring and reporting these metrics help us in identifying areas with material climate-related risks and enabling us to be more targeted in our efforts.
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
To support the climate change agenda, we disclose our Scope 1 and Scope 2 GHG emissions in the sustainability report and set climate-related targets such as those related to energy, GHG emissions and waste management. We will continue to monitor our emissions and disclose Scope 3 GHG emissions wherever applicable and practicable.
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.
As a commitment towards mitigating climate change, we have set the following climate-related targets:

Material Sustainability Factor	Target for FY2024
Energy conservation and emissions reduction	Reduce or maintain GHG emissions intensity
Responsible waste management	Maintain zero incident of significant fines or non-monetary sanctions for non-compliance with applicable environmental laws and/or regulations

We plan to set medium and long term targets in the future and where practicable.

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APPENDIX

GRI CONTENT INDEX

Statement of use	Ellipsiz Ltd has reported the information cited in the GRI content index for the period from 1 July 2022 to 30 June 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	Location/Page reference
GRI 2: General Disclosures 2021	2-1 Organisational details	18, 23, 100, 182-183
	2-2 Entities included in the organisation's sustainability reporting	23
	2-3 Reporting period, frequency and contact point	23
	2-4 Restatements of information	None
	2-5 External assurance	23
	2-6 Activities, value chain and other business relationships	21
	2-7 Employees	22
	2-8 Workers who are not employees	None
	2-9 Governance structure and composition	05-10
	2-10 Nomination and selection of the highest governance body	60-62
	2-11 Chair of the highest governance body	05
	2-12 Role of the highest governance body in overseeing the management of impacts	27
	2-13 Delegation of responsibility for managing impacts	27
	2-14 Role of the highest governance body in sustainability reporting	27
	2-15 Conflicts of interest	52
	2-16 Communication of critical concerns	43, 74
	2-17 Collective knowledge of the highest governance body	39, 54-55

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GRI standard	Disclosure	Location/Page reference
	2-18 Evaluation of the performance of the highest governance body	62-63
	2-19 Remuneration policies	63-67
	2-20 Process to determine remuneration	63-67
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	03-04, 18-20
	2-23 Policy commitments	42-47
	2-24 Embedding policy commitments	42-43
	2-25 Processes to remediate negative impacts	43, 74
	2-26 Mechanisms for seeking advice and raising concerns	43, 74
	2-27 Compliance with laws and regulations	36, 41, 43
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	24-26
	2-30 Collective bargaining agreements	None of our employees are covered by collective bargaining agreements.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	27-30
	3-2 List of material topics	30
	3-3 Management of material topics	30-43
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	33, 89-90, 98-99
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	43

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GRI standard	Disclosure	Location/Page reference
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	34
	302-3 Energy intensity	34
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	34
	305-2 Energy indirect (Scope 2) GHG emissions	34
	305-4 GHG emissions intensity	34
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	35-36
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	37-38
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	37
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	36
	403-10 Work-related ill health	36
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	39
	404-2 Programs for upgrading employee skills and transition assistance programs	38
	404-3 Percentage of employees receiving regular performance and career development reviews	38
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	40
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	41
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	41

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of Ellipsiz Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") is committed in its continuing efforts to achieve high standards of corporate governance and business conduct to enhance long-term shareholder value and safeguard the interests of its stakeholders. This report describes the Company's corporate governance practices for the financial year ended 30 June 2023 ("**FY2023**"), with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**"). The Board is pleased to report that the Company had adhered closely to the principles and provisions of the Code in FY2023. Where there are deviations from any provision of the Code, explanations as to how the Company's practices conform to the intent of the particular principle of the Code are provided in the relevant paragraphs of this report.

I. BOARD MATTERS

The Board's Conduct of Affairs
Principle 1*: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.*

Provisions 1.1, 1.3, and 1.4

The Board is entrusted with the responsibility of overseeing the business and corporate affairs of the Group. Its roles include, approving the overall strategies and initiatives of the Group; providing entrepreneurial leadership and setting objectives; regularly reviewing the Group's financial performance; overseeing processes for evaluating the adequacy of internal controls; ensuring the implementation of appropriate systems to manage the principal risks of the Group's business (including safeguarding of shareholders' interests and Group's interests); setting standards and values (including ethical standards); ensuring that obligations to shareholders and other key stakeholders are understood and met; considering sustainability issues as part of its strategic formulation; and assuming responsibility for corporate governance.

The Company's internal guidelines stipulating matters that require the Board's approval are communicated to management. Matters requiring the Board's approval include:

(a) strategic investments, acquisitions and divestments;

(b) annual budget and business plans of the Group;

(c) issuance of shares, payment of interim dividends, proposal of final dividends for shareholders' approval and any other returns to shareholders;

(d) matters as specified under Chapter 9 of the listing manual of Singapore Exchange Securities Trading Limited ("**SGX-ST Listing Manual**") in relation to interested person transactions;

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(e) announcements issued by the Company including the release of the Group's financial results and the Annual Report;

(f) sustainability issues including the determination of the environmental, social and governance factors which are material to the Group as part of its strategic formulation; and

(g) any other corporate actions and matters as prescribed under the relevant legislations and regulations and the provisions of the Company's Constitution.

Where a director of the Company ("**Director**") faces conflicts of interest, he or she will recuse himself or herself from discussions and decisions on the relevant matter. In accordance with the Company's Constitution, a Director who has personal material interest, directly or indirectly, in respect of any contract or proposed contract or arrangement or any other proposal will not be allowed to vote on any of such matters.

To facilitate the Board in the discharge of its oversight function and ensuring good corporate governance, Board committees comprising the Audit and Risk Committee ("**ARC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") are established with clear written terms of reference. The members of the Board committees are set out below. Each Board committee has the authority to examine issues relevant to its written terms of reference and to make recommendations to the Board for its consideration and approval. A summary of the terms of reference and the activities of each Board committee is disclosed in the relevant paragraphs of this report.

Audit and Risk Committee	Nominating Committee	Remuneration Committee
• Amos Leong Hong Kiat (Chairman) • David Ong Kim Huat • Clement Leow Wee Kia • Iris Wu Hwee Tan	• Clement Leow Wee Kia (Chairman) • David Ong Kim Huat • Amos Leong Hong Kiat • Kelvin Lum Wen-Sum	• Clement Leow Wee Kia (Chairman) • David Ong Kim Huat • Amos Leong Hong Kiat

Provision 1.5

The Board meets regularly and the Directors attend and participate actively in Board and Board committees meetings. The meetings of the Board and Board committees are planned and scheduled in advance to facilitate meaningful participation. In FY2023, the Board conducted four scheduled meetings on a quarterly basis. In addition, the Board had conducted ad-hoc meetings and discussions during the year to address specific significant matters or developments. The Company's Constitution permits the Board to conduct meetings by, *inter alia*, telephone conference or electronic means so as to enhance efficiency and allow for timely meetings. The Board may also make decisions by way of circular resolutions in writing.

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The attendance of each Director at meetings of the Board and of the Board committees in FY2023, as well as the Annual General Meeting of the Company ("**AGM**") held in October 2022 is set out in the table below.

	Board	Audit and Risk Committee	Nominating Committee	Remuneration Committee	AGM
Number of meetings held	4	3	2	2	1
Director	**Number of meetings attended in FY2023**				
David Ong Kim Huat	4	3	2	2	1
Kelvin Lum Wen-Sum	4	NA	2	NA	1
Amos Leong Hong Kiat	4	3	2	2	1
Clement Leow Wee Kia	4	3	2	2	1
Iris Wu Hwee Tan	4	3	NA	NA	1
Adrian Lum Wen-Hong	4	NA	NA	NA	1

Directors with multiple board representations have not compromised the time and attention given to the affairs of the Group. Please also refer to additional disclosures under *Principle 4, Provision 4.5* of this report.

Provision 1.6

Management provides the Directors with relevant, complete and timely information prior to Board and Board committees meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. Senior management is invited to participate at the meetings to provide the background and explanatory information relating to matters brought before the Board and Board committees. Relevant information with the necessary explanations covers matters including business plans, operations updates, budgets, forecasts, half-year and full-year financial statements, internal audit, sustainability and enterprise risk assessment reports. In respect of budgets, any material variances between projections and actual results are disclosed and explained.

Notice of meeting setting out the agenda together with reports and materials for the Board and Board committees meetings are circulated in advance of each meeting to allow sufficient lead time for Directors to review the matters before the meetings. If a Director is unable to attend a Board or Board committee meeting, he or she will still receive all the materials for discussion at the meeting. He or she will advise the Chairman of the Board (the "**Chairman**") or the relevant Board committees of his or her views and comments on the matters to be discussed so that they can be conveyed to other participants present at the meeting.

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Provision 1.7

All Directors have separate and independent access to the senior management team, the Company Secretary and external professional advisers such as lawyers, external and internal auditors (where necessary and at the Company's expense) at all times. Directors are entitled to request from senior management additional information as and when needed to make informed decisions and senior management is obliged to provide such information on a timely basis. The Company Secretary attends the Board and Board committees meetings and ensures that meeting procedures are followed, relevant legislations, rules and regulations relating to company are complied, and minutes of the meetings are fairly recorded. The Company's Constitution provides that the appointment and the removal of Company Secretary are subject to the approval of the Board.

Provision 1.2

A formal letter is issued to newly appointed Directors upon their appointment explaining their duties and obligations as a Director. Newly appointed Directors will undergo an orientation programme, which includes briefings by the chairman of the NC, the Chief Executive Officer of the Company ("**CEO**") and management on the businesses and activities of the Group, its investments, any pending merger and acquisition projects, its strategic directions as well as its corporate governance practices so as to facilitate the new Director's understanding of the Group. A new Director who has no prior experience as a director of a listed issuer on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") will be required to undergo mandatory training on the roles and responsibilities of a listed issuer director as prescribed by the SGX-ST, unless the NC is of the view that training is not required because he or she has other relevant experiences, in which case, the basis of its assessment will be disclosed.

Directors are provided with opportunities to develop and maintain their skills and knowledge and to keep abreast of new developments. They attend seminars and training courses including those organised by the Singapore Institute of Directors ("**SID**") at the Company's expense. In addition to updates at each Board meeting on the business and strategic developments pertaining to the Group's business, Directors also receive regular updates from management and/or external consultants on developments in relevant laws and regulations such as those relating to finance, sustainability, corporate governance and rules of the SGX-ST Listing Manual.

In FY2023, training programmes attended by some of the Directors include:

(a) Singapore Governance and Transparency Forum 2022 organised by SID;

(b) Audit and Risk Committee Seminar organised by SID;

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(c) SBF – Subsidiary Board Director Fundamentals organised by SID;

(d) LED – Environmental, Social and Governance Essentials (Core) organised by SID;

(e) ACMF-ISSB Joint Conference and Technical Training on the IFRS Sustainability Disclosure Standards organised by ASEAN Capital Markets Forum and International Sustainability Standards Board; and

(f) Mini Conference Series organised by ISCA.

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.*

Provisions 2.2 and 2.3

As at the date of this report, the Board comprises six members, three of whom are independent Directors, including the Chairman. Other than Mr Kelvin Lum Wen-Sum who is an executive Director and the CEO, the remaining members of the Board are non-executive Directors, making up a majority of the Board.

Provision 2.1

The Board determines the independence of each Director on an annual basis, taking into account the assessment of the NC, the guidelines on independence specified in the Code (including the Code's Practice Guidance), the circumstances set out in Rule 210(5)(d) of the SGX-ST Listing Manual and each Director's confirmation of his or her independence based on the aforesaid.

The Company's independent Directors are Mr David Ong Kim Huat (who is the Chairman), Mr Amos Leong Hong Kiat (who is the chairman of ARC) and Mr Clement Leow Wee Kia (who is the chairman of both NC and RC).

Each of Mr David Ong Kim Huat and Mr Clement Leow Wee Kia has confirmed his independence. They have no business relationship with the Group and are independent from the substantial shareholder and the officers of the Company. There are also no other circumstances which would deem them to be non-independent.

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Mr Amos Leong Hong Kiat who was first appointed to the Board on 1 May 2009 is the only independent Director who has served on the Board for more than nine years. In this respect, the NC (except Mr Leong who had recused himself on this matter) undertook a more rigorous review on the independent status of Mr Leong. In its review, the NC took into consideration that:

(a) Mr Leong has consistently demonstrated strong independence in character and judgement in the discharge of his responsibilities as a Director;

(b) he does not have any relationship with the Company, its related corporations, its substantial shareholder and/or officers that could interfere, or be reasonably perceived to interfere, with his independent business judgement in the best interests of the Company;

(c) during his term as a Director, there was a change in the senior management of the Company. The former CEO and the former Chief Financial Officer of the Company ("**CFO**") who had served the Company for more than nine years had retired in financial year 2018 and new management was put in place;

(d) other than his annual Director's fees, neither he nor his immediate family member, in the current or immediate past financial year, provided to or received from the Group any significant payments or material services;

(e) neither he nor his immediate family member, in the current or immediate past financial year, is or was a substantial shareholder or a partner in, or an executive officer of, or a director of, any organisation which provided to or received from the Group any significant payments or material services;

(f) he is not and has not been directly associated with the substantial shareholders of the Company; and

(g) there are no other circumstances (including circumstances under Rule 210(5)(d)(i) and (ii) of the SGX-ST Listing Manual) which would deem him to be non-independent.

From its assessment, the NC was of the view that though Mr Leong has served on the Board for more than nine years, he shall nonetheless be considered independent. The Board, taking into account the view of the NC, also concurred that Mr Leong's independent judgement and ability to act in the interests of all shareholders of the Company as a whole would not be impeded and thus, he is able to continue in his role as an independent Director.

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The Company had sought the relevant shareholders' approvals through a two-tier voting process in accordance with Rule 210(5)(d)(iii)(A) and (B) of the SGX-ST Listing Manual at the AGM held in October 2021 in respect of the continued appointment of Mr Leong as an independent Director from 1 January 2022. Mr Leong's continued appointment as an independent Director was approved by shareholders at the said AGM. Such approvals were to continue in force until the retirement or resignation of Mr Leong as a Director or the conclusion of the third AGM following the passing of the two-tier resolutions at the AGM held in October 2021, whichever is the earlier. On 11 January 2023, Singapore Exchange Regulation limited the tenure for independent directors serving on the boards of listed issuers to nine years by removing the two-tier vote mechanism for retaining long-serving independent directors who have served for more than nine years. As transition, independent directors whose tenure exceeds the nine-year limit could continue to be deemed independent until the issuer's annual general meeting held for the financial year ending on or after 31 December 2023. Accordingly, Mr Leong continues to be regarded as an independent Director until the AGM to be held in 2024.

Mr Kelvin Lum Wen-Sum and Mr Adrian Lum Wen-Hong are not independent as they are both sons of Mr David Lum Kok Seng, the legal and beneficial owner of Bevrian Pte Ltd, the controlling shareholder of the Company.

Ms Iris Wu Hwee Tan is considered not independent by reason of her appointment by the Company as a consultant providing consultancy services on corporate matters to the Group where she receives an aggregate payment in excess of $50,000 in a financial year for the provision of such services.

Provision 2.4

To foster open and constructive debate and avoid groupthink for effective decision-making, the Company's diversity policy endorses the principle that the Board and the Board committees comprise members with the appropriate mix of expertise and experience and, who as a group, collectively possesses the relevant and necessary skill sets and core competencies. The policy also considers other aspects of diversity such as age and gender. All Board appointments are based on the merit of candidates, having due regard to the diversity policy and core values of the Company. The NC reviews the size and composition of the Board and the Board committees annually.

The current make-up of the Board reflects the Company's commitment to the relevant diversity in knowledge, experience, skills, gender and age. The Board is made up of members with diverse background and varied experience in the fields of finance, business and management, marketing and tourism, and industry knowledge. This allows for an appropriate balance of perspectives and ideas which are essential and valuable to the decision-making and direction setting of the Group.

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Mr David Ong Kim Huat's marketing and tourism experience and leadership positions spanned across various international companies. He established a company that specialises in providing media solutions to the tourism industry and has been the managing director of the said company since then. Mr Kelvin Lum Wen-Sum was formerly the managing director of an issuer listed on the SGX-ST where he oversaw the group's strategic investments and global operations. Mr Amos Leong Hong Kiat, a veteran in the electronics manufacturing industry, has in-depth knowledge and experience in the same industry the Group is in. Mr Clement Leow Wee Kia has over 20 years of corporate finance experience in initial public offering, mergers and acquisitions including corporate advisory transactions. Ms Iris Wu Hwee Tan has over 30 years of financial and management experience which includes overseeing an extensive corporate affairs portfolio covering financial, taxation, corporate secretarial and legal matters. Mr Adrian Lum Wen-Hong has held various management positions previously whilst working locally and abroad, and has wide experience in formulating business strategy and identifying investment opportunities in the real estate segment. Please refer to the section entitled "**Board of Directors**" on pages 5 to 10 of this Annual Report for more information on each Director.

The Board's composition in terms of age and gender is set out below.

Age Group	Number of Directors	Percentage (%)
30-50	3	50
>50	3	50
Total	6	100

Gender	Number of Directors	Percentage (%)
Male	5	83
Female	1	17
Total	6	100

The NC had conducted its assessment for FY2023 and is of the view that the Company had met its diversity objectives. The Board will exercise its best endeavours to continue maintaining the appropriate criteria to facilitate effective decision-making, taking into consideration the scope and nature of the Group's current operations.

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Provision 2.5

The non-executive Directors meet at the end of each Board committee meeting as and when necessary, without the presence of management. Their feedback and views are communicated to the Board from time to time, as appropriate.

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

Provision 3.1

There is a clear segregation of the roles and responsibilities of the Chairman and the CEO as the roles are separately held by Mr David Ong Kim Huat, an independent Director, and Mr Kelvin Lum Wen-Sum. This ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and the CEO are not immediate family members.

Provision 3.2

The Chairman's primary responsibility is to lead the Board and in ensuring its effective function. He sees to it that Board meetings are held as and when necessary and that Directors receive accurate, clear and timely information. He encourages constructive relations between management and the Board, as well as between executive and non-executive Directors; and ensures effective communication with shareholders.

The CEO is primarily responsible for the operations and performance of the Group; execution of corporate directions and strategies, including overseeing its financial planning and investment activities; and reporting to the Board on the Group's operations and performance.

Provision 3.3

The Board does not appoint a lead independent director as the Chairman is an independent Director. The NC is of the view that there is an appropriate balance of power and accountability to ensure independent decision-making given that half of the Board members are independent.

CORPORATE GOVERNANCE REPORT

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

Provisions 4.1 and 4.2

The NC comprises four Directors, namely, Mr Clement Leow Wee Kia (as chairman), Mr David Ong Kim Huat, Mr Amos Leong Hong Kiat and Mr Kelvin Lum Wen-Sum. The majority members of the NC, including the chairman of the NC, are independent Directors.

Under its written terms of reference, the NC is tasked to assist the Board with its oversight responsibilities in the following matters:

(a) review of the structure, size and composition of the Board and the Board committees;

(b) review of the succession plans for the Chairman, Directors and key management personnel (including the CEO);

(c) development of processes and criteria for evaluating the performance of the Board, each Board committee and each individual Director;

(d) review of the training programmes for the Board;

(e) appointment and re-appointment of Directors; and

(f) review of the independence of each Director.

Provision 4.3

When the need for a new Director arises, either to replace a Director who has resigned or to enhance the Board's composition, the NC will shortlist potential candidates. The NC may seek assistance such as from external consultants and the SID to source for potential candidates. Directors as well as management may also put forward names of potential candidates for the NC's consideration. The NC will evaluate, amongst others, the needs of the Board taking into consideration the need for diversity including skills sets, expertise, experience of the candidates and the value that each can contribute to the Board before making any recommendation to the Board. The NC also reviews and approves nominations for key management positions in the Group, in particular, the CEO and CFO, and makes its recommendations to the Board for approval.

CORPORATE GOVERNANCE REPORT

Succession planning is an important part of governance process. The NC reviews the Board membership in an orderly manner, and progressively reviews the succession and leadership development plans for senior management.

The NC is tasked under its terms of reference to, *inter alia*, make recommendations on the re-election of Directors who are subject to retirement by rotation. A Director who is the CEO will also be subject to re-election. The Company's Constitution requires one-third of the Directors for the time being to retire by rotation at every AGM, and all Directors to retire at least once every three years. In deciding whether to nominate Directors to stand for re-election at each AGM, the NC will assess and evaluate the contribution of each individual Director to the effectiveness of the Board. The review parameters for evaluating each Director include, *inter alia*, attendance at Board and Board committees meetings, participation and involvement in decision-makings, individual expertise, experience, management skills and business acumen of the Director, and such other relevant attributes which are valuable to the effective decision-making of the Board as a whole. Each member of the NC abstains from voting on any resolution, making any recommendation and participating in any deliberation of the NC in respect of the assessment of his or her own performance and nomination for re-election as a Director.

A newly appointed Director must submit himself or herself for re-election at the next AGM following his or her appointment to the Board pursuant to the Company's Constitution.

At the forthcoming AGM, each of Ms Iris Wu Hwee Tan and Mr Adrian Lum Wen-Hong will be retiring as Director pursuant to Article 101 of the Company's Constitution. The NC has reviewed and is satisfied with their contribution and performance as Directors and has endorsed their nomination for re-election. Please refer to the section entitled "*Additional Information on Director Seeking Re-Election*" on pages 192 to 201 of this Annual Report for information relating to Ms Iris Wu Hwee Tan and Mr Adrian Lum Wen-Hong provided pursuant to Rule 720(6) of the SGX-ST Listing Manual.

Provision 4.4

The NC reviews and assesses annually and as and when circumstances require to determine if there is a change to the independent status previously accorded to a relevant Director based on the guidelines on independence set forth in *Principle 2, Provision 2.1* of the Code. Please refer to the disclosures under *Principle 2, Provision 2.1* of this report for the Board's determination of the independence of each Director.

CORPORATE GOVERNANCE REPORT

Provision 4.5

The NC ensures that newly appointed Directors are aware of their duties and obligations. As disclosed under *Principle 1, Provision 1.2* of this report, new and existing Directors are provided with, *inter alia*, training and development opportunities by the Company in support of their roles as Directors.

The listed company directorships held by, and the principal commitments of, each Director, if any, are disclosed on pages 5 to 10 of this Annual Report. Taking into account, *inter alia*, the attendance records of the Directors at the respective Board and Board committees meetings and their contributions towards the deliberations and decision-makings of the Board and the Board committees, the NC is satisfied that sufficient time and attention are being given by each Director to the affairs of the Group, notwithstanding that some of the Directors serve on the board of other listed companies and/or have other principal commitments. The number of directorships in other listed companies and/or other principal commitments held by each of the Directors, if any, does not give rise to material concern and in fact, the experience such Directors have in other listed companies benefits the Group as they bring with them relevant knowledge and experience from their involvement in such other appointments.

No alternate Director was appointed during FY2023.

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

Provisions 5.1 and 5.2

The NC develops the objective performance criteria and processes for evaluating the performance and effectiveness of the Board as a whole, each Board committee as well as each individual Director which are approved by the Board.

A formal assessment process, based on evaluation questionnaires that contain both qualitative and quantitative performance criteria to assess the effectiveness of the Board and the Board committees is carried out at least once every financial year. The confidential questionnaire completed by each Director individually, covers areas such as the effectiveness of the Board/Board committees in its monitoring role, various aspects of diversity including diversity of background, experiences and skills represented on the Board/Board committees, and access to information and communication with management. Such input is collated and reviewed by the chairman of NC, who presents a summary of the overall assessment (together with any feedback received) to the NC for review. As part of the annual assessment process, each Board committee is also required to complete a checklist, to ensure that the roles and duties set out in its written terms of reference are carried out during the financial year.

CORPORATE GOVERNANCE REPORT

The NC evaluates each individual Director's performance through a separate questionnaire dealing with various aspects including attendance records, contributions during Board and Board committees meetings, as well as individual performance of principal functions and fiduciary duties. Where a particular Director is also a member of the NC, such Director abstains from participating in the discussions and decision-making during the evaluation process.

The results of the evaluation exercise carried out by the NC are reported to the Board. Recommendations on areas where the Board or Board committees performance and effectiveness could be enhanced are submitted to the Board for discussion and where appropriate, approval for implementation. No external facilitator was engaged for the evaluation process in FY2023.

II. REMUNERATION MATTERS

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

Provisions 6.1 and 6.2

The RC comprises three Directors, namely, Mr Clement Leow Wee Kia (as chairman), Mr David Ong Kim Huat and Mr Amos Leong Hong Kiat. All of them, including the chairman of the RC, are independent Directors. They are familiar with, and have the relevant experience in, executive compensation matters as they are or previously were performing executive functions in companies where they are or were employed.

The RC plays a crucial role in the recruitment and retention of talents to drive the Group's business forward. It sets the remuneration guidelines of the Group.

Under its written terms of reference, the RC is responsible for:

(a) reviewing and recommending to the Board a remuneration framework and policies for the Directors and key management personnel (including the CEO);

(b) reviewing and recommending to the Board the specific remuneration package for each Director and each key management personnel; and

(c) ensuring that the remuneration package is appropriate to attract, retain and motivate Directors to provide good stewardship of the Company and key management personnel to successfully manage the Group for the long-term.

CORPORATE GOVERNANCE REPORT

Provisions 6.3 and 6.4

The RC reviews all aspects of remuneration of the Directors and key management personnel of the Group, including the terms of service contracts of the executive Director who is the CEO and key management personnel, to ensure that they are fair and reasonable. There is no provision for payment of compensation upon termination of service, retirement or any post-employment benefits in the service contracts of the CEO and key management personnel. Save for Ms Iris Wu Hwee Tan (as disclosed under *Principle 2, Provision 2.1* of this report) whose consultancy agreement is reviewed by the NC, RC and ARC, all non-executive Directors have no written service contracts with the Company and are paid Director's fees, subject to shareholders' approval at the AGMs.

No individual Director fixes his or her own remuneration. Any Director who has an interest in the matter in question is required to abstain from participating in the deliberations and decision-making.

The RC is empowered under its written terms of reference to, *inter alia*, obtain professional advice and appoint consultants where necessary in the discharge of its duties and functions. No remuneration consultant was engaged by the RC in FY2023.

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

Provisions 7.1 and 7.3

The framework of remuneration for the executive Director and key management personnel is linked to the development of management bench strength to ensure continual development of talent and renewal of strong leadership for the continued success of the Group.

The RC ensures that remuneration for the executive Director and key management personnel of the Group are in line with the Group's strategies and performance as well as individual performance, and that the remuneration is appropriate to attract, retain and motivate the executive Director and key management personnel to successfully manage the Group for its long-term success. In determining remuneration packages, the RC also takes into consideration industry practices and norms in compensation. The RC's recommendations are submitted to the Board for its endorsement.

CORPORATE GOVERNANCE REPORT

Provision 7.2

The non-executive Directors are paid a basic Director's fee and do not receive any salary, performance-related income, business or other long-term incentives for their role as non-executive Director. The RC recommends non-executive Directors' fees to the Board that are appropriate to the level of contribution, taking into account factors such as frequency of meetings, effort and time spent, and responsibilities. The aggregate fees payable to non-executive Directors for each financial year is subject to the approval of shareholders at the AGM.

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

Provisions 8.1 and 8.3

Non-executive Directors

The remuneration paid to non-executive Directors in FY2023 are set out below.

Director	**Directors' fees ($)[1]**	**Consultancy fees ($)**
David Ong Kim Huat	69,000	–
Amos Leong Hong Kiat	59,000	–
Clement Leow Wee Kia	59,000	–
Iris Wu Hwee Tan	55,000	96,300
Adrian Lum Wen-Hong	55,000	–
Total	**297,000**	**96,300**

[1] *Directors' fees were paid quarterly in arrears.*

Directors' fees of $297,000 was approved by shareholders at the last AGM held on 25 October 2022.

CORPORATE GOVERNANCE REPORT

Executive Director (who is the CEO) and Key Management Personnel

The remuneration (rounded to the nearest thousand) of the executive Director (who is also the CEO) in FY2023 is disclosed in the table below.

Executive Director and CEO	Total ($)	Salary and Allowance (%)	Bonus (%)
Kelvin Lum Wen-Sum	848,000	83	17

The remuneration package of Mr Kelvin Lum Wen-Sum consists of basic and variable components, and other appropriate benefits-in-kind. Mr Lum does not receive any Director's fee. His performance is evaluated by the RC based on a formal employee evaluation process. Mr Lum's bonus is determined based on financial and non-financial criteria that are aligned with the strategic directions set by the Board for the Group. The RC is satisfied that Mr Lum had met most of the criteria for FY2023.

In respect of key management personnel, the Group adopts a remuneration policy comprising fixed and variable components in the form of base salary and variable bonus that are tied to the performance of the Group as well as individual performance, taking into consideration financial budgets that were approved by the Board. For FY2023, the performance conditions set were met. This structure/framework enables the Group to align key management personnel's compensation with the interests of shareholders and promotes the long-term success of the Group. In relation to long-term incentives, the Company currently does not have any employees' share incentive plan.

Provision 8.1 of the Code requires the Company to disclose the names, amounts and breakdown of remuneration of at least the top five key management personnel (who are not Directors or the CEO) of the Group in bands no wider than $250,000 and in aggregate the total remuneration paid to these key management personnel. The Board had considered this matter carefully and decided against such detailed disclosure in relation to the key management personnel (who are not Directors or the CEO) due to the confidential and commercial sensitivities associated with remuneration matters. The Board is of the view that such disclosure is not in the interests of the Group as it would disadvantage the Group in relation to its competitors and may affect adversely the cohesion and spirit of team work prevailing among the employees of the Group. The Company is making available, however, the aggregate remuneration of the top five key management personnel and the number of these key management personnel in remuneration bands of $250,000.

CORPORATE GOVERNANCE REPORT

The Company believes that the disclosures provided are meaningful and transparent in giving an overall understanding of the remuneration of the key management personnel. The Board and/or the RC will respond to questions from shareholders on remuneration policy and framework of the executive Director and key management personnel, if raised at AGMs. The Company is therefore of the view that its corporate governance practice on this aspect conforms to the intent of Principle 8 of the Code.

The aggregate remuneration (rounded to the nearest thousand) of the top five key management personnel of the Group (who are not Directors or the CEO) in FY2023 was $1,714,000 and the number of these key management personnel in remuneration bands of $250,000 are set out below.

	Number of key management personnel
$250,000 to $499,999	4
Below $250,000	1

Provision 8.2

Save for Mr Kelvin Lum Wen-Sum, the CEO, who is the son of Mr David Lum Kok Seng (the controlling shareholder of the Company) and the brother of Mr Adrian Lum Wen-Hong (a Director), the Group does not employ any other immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds $100,000 during FY2023. Mr Kelvin Lum Wen-Sum's remuneration is disclosed under *Principle 8, Provisions 8.1 and 8.3* of this report.

III. ACCOUNTABILITY AND AUDIT

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

Provision 9.1

The Board is overall responsible for the governance and oversight of material risks of the Group. It ensures that management has in place sound systems of internal controls and risk management practices to make sure that proper accounting records are kept, information is reliable, assets are safeguarded and significant business risks are identified and contained. The Board reviews and assesses annually the adequacy and effectiveness of the key internal controls and risk management function.

CORPORATE GOVERNANCE REPORT

The Board recognises that no system of internal controls can provide absolute assurance against the occurrence of material errors, misjudgement, human errors, losses, fraud or other irregularities. However, the system of internal controls maintained by the Group provides reasonable assurance on the proper maintenance of accounting records, reliability of financial information, prevention of material financial misstatements, safeguarding of assets, compliance with relevant laws and regulations and identification of significant business risks.

The ARC assists the Board in the oversight of the Group's risk management function. Together with senior management, it seeks to identify areas of significant business risks, including revenue loss, asset loss and breach of information security, as well as takes appropriate measures to control and mitigate these risks with an aim to achieve the overall strategic objectives and value creation of the Group. In determining the appropriate measures, the cost of control and the impact of risks will be balanced with the benefits of reducing risks.

Risks are reviewed and managed at each level of reporting and consolidated for review at overall Group level. On-going reviews and assessments are carried out by the Board, the ARC, senior management and internal auditor, and continuing efforts are made at enhancing controls and processes that require improvement.

The key risks faced by the Group in FY2023 are summarised below.

Geopolitical and Macroeconomic Risk

The Group operates and provides product and service solutions to customers including those in Singapore, Malaysia, China and Taiwan. As a result, the Group's businesses and its future growth are dependent on the political, economic, regulatory and social conditions of these countries. The Group's businesses are also affected by macroeconomic factors such as geopolitical tensions, inflation and the performance of the United States, China and other major economies in Asia. These factors have an impact on the end market consumption, supply chains, consumer sentiments, and consequently, the market demand for our product and service solutions. The Group monitors the changes and developments closely and adopts strategies to adapt to such changes to minimise unfavourable impact on its businesses.

Loss of Key Distributorships and Service Contracts

The Group's Distribution and Services Solutions ("**DSS**") segment constantly faces intense competition from other leading players, and it is imperative to identify, secure and expand exclusive distributorships for leading products and/or brands crucial to the manufacturing processes of the semiconductor and electronics manufacturing services industries, and to provide unparalleled services to our customers through service contracts. Loss of key product distributorships and service contracts as well as the inability to boost our product and service offerings would have a material adverse impact on our business as well as financial results. The DSS' staff conducts regular dialogues and meetings with both its suppliers and customers to maintain strong and healthy relationships with these stakeholders and to ensure their requirements and needs are promptly addressed.

CORPORATE GOVERNANCE REPORT

Cyber Security Risk

The Group recognises that cyber threat is one of the key concerns as cyber attackers are becoming increasingly creative in targeting system vulnerabilities. The on-going business digitalisation exposes the Group's businesses to IT-related threats, which may result in compromising the confidentiality, integrity and availability of the Group's information assets and/or systems. The Group has in place policies and procedures to manage these risks and to ensure that the confidentiality, integrity and availability of the Group's information assets and/or systems are protected. These include a disaster recovery strategy, backup and restore procedures, and email security to prevent social engineering attacks such as phishing. Regular reminders are disseminated to employees to heighten awareness of cyber threats.

Financial Risks

The Group is also exposed to financial risks, including credit, liquidity, currency and market price risks. Please refer to pages 164 to 171 of this Annual Report for details of these risks.

Provision 9.2

The Board has received assurance from:

(a) the CEO and the CFO that the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the operations and finances of the Group; and

(b) the CEO, the CFO and other relevant key management personnel on the adequacy and effectiveness of the Group's internal controls and risk management system.

Based on the internal controls and risk management system established and maintained by the Group, work performed by the internal and external auditors, reviews performed by the ARC and management, and the assurances set out above, the Board, with the concurrence of the ARC, is of the opinion that, in respect of FY2023, the internal controls (including financial, operational, compliance and information technology controls) and risk management system of the Group were adequate and effective as at 30 June 2023 to meet the needs of the Group in its current business scope and environment.

Pursuant to Rule 705(5) of the SGX-ST Listing Manual, the Board also provided a negative assurance confirmation for the Group's half-year financial statements.

CORPORATE GOVERNANCE REPORT

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

Provisions 10.1, 10.2, 10.3 and 10.5

The ARC comprises four Directors, namely, Mr Amos Leong Hong Kiat (as chairman), Mr David Ong Kim Huat, Mr Clement Leow Wee Kia and Ms Iris Wu Hwee Tan. All the members of the ARC are non-executive Directors and the majority of whom including the chairman of the ARC, are independent Directors. The ARC does not comprise any former partner or director of the Company's existing audit firm.

By training and/or with their many years of relevant experience through assuming roles as executive directors and/or senior management of companies, all members of the ARC (including the chairman of the ARC) have sufficient accounting or related financial management expertise or experience to discharge the ARC's functions. The ARC is kept abreast of changes to financial reporting standards and issues which may have a direct impact on financial statements by management, the external auditor and attending relevant training courses.

In assisting the Board to fulfil its responsibilities in ensuring the integrity of financial reporting and that sound internal control systems are in place, the ARC met periodically during the financial year with management, the internal and external auditors, as appropriate. The ARC performs its roles and duties in accordance with the requirements of the Companies Act 1967 of Singapore and the guidelines of the Code relating to audit committee. The functions of the ARC set out in its written terms of reference include the following:

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

(b) to review the assurance provided by the CEO and CFO on the financial records and financial statements of the Group;

(c) to review at least annually the adequacy and effectiveness of the internal controls (including financial, operational, compliance and information technology controls) and risk management system of the Group;

(d) to review the adequacy, effectiveness, independence, scope and results of the external and internal audit functions of the Group;

(e) to review and recommend to the Board (i) the proposals to shareholders for the appointment, re-appointment and removal of the external auditor; and (ii) the remuneration and terms of engagement of the external auditor;

CORPORATE GOVERNANCE REPORT

(f) to review the nature and extent of non-audit services provided by the external auditors and the aggregate fees paid to external auditors for audit and non-audit services to ensure that the external auditors' independence is not compromised;

(g) to review and recommend to the Board the appointment, re-appointment and removal of the internal auditor and the remuneration and terms of engagement of the internal auditor;

(h) to review interested person transactions; and

(i) to review policy and arrangements that are in place by which employees of the Group may raise, in confidence, concerns about possible improprieties in financial reporting or any other matters; reviewing and investigating such concerns raised through the whistleblowing channel and reporting its findings and course of actions taken to the Board.

The ARC has full access to and co-operation from management. It has also been given the resources required to discharge its functions properly and has full discretion to invite any Director and/or senior management to attend its meetings. The external and internal auditors have unrestricted access to the ARC. The ARC met three times in FY2023. The details of the members' attendance are disclosed under *Principle 1, Provision 1.5* of this report. The ARC meets with the external auditor and the internal auditor without the presence of management at least once in each financial year.

In the course of the financial year, the ARC carried out independent reviews of the financial statements of the Group before announcements of the Group's half-year and full-year results were released. In the process, the ARC considered the reasonableness of estimates, judgements and assumptions made and applied by management and any significant matters which would have a material impact on the financial statements.

In its review of the financial statements for FY2023, the ARC also reviewed together with management, the following key audit matters ("**KAMs**") reported by the external auditor. The ARC had concurred with management on the methodologies, accounting treatments and estimates adopted, as well as the disclosures made in the financial statements, in respect of such KAMs raised.

CORPORATE GOVERNANCE REPORT

KAMs	How the KAMs were addressed by the ARC
Impairment assessment of goodwill	The ARC considered and evaluated the valuation methodology applied by management, focusing on the key assumptions applied in determination of the value-in-use of the cash-generating units ("**CGUs**"). The ARC considered the findings of the external auditor, including their assessment of the suitability of the valuation methodology and the underlying key assumptions applied in determining the value-in-use of the CGUs. The ARC was satisfied with the impairment review process, the valuation methodology applied and the assessment that no impairment in goodwill was required.
Valuation of investment property	The valuation of the investment property as at 30 June 2023 was carried out by KJPP Wilson dan Rekan in association with Knight Frank, an independent professional valuer. The ARC had considered the standing of the valuer, its independence, expertise and relevant experience in valuing the investment property. The ARC considered the valuation technique and the underlying key assumptions and adjustments applied by the valuer. The ARC also considered the findings of the external auditor, including their assessment of the appropriateness of the valuation technique and key assumptions and adjustments applied in the valuation. The ARC was satisfied with the valuation process, appropriateness of the valuation technique and key assumptions applied for the investment property as disclosed in the financial statements.

The Company is in compliance with Rule 712 and Rule 715 of the SGX-ST Listing Manual in relation to the appointments of external auditors. The current external auditor of the Company is Ernst & Young LLP, a firm registered with the Accounting and Corporate Regulatory Authority. The ARC is satisfied that Ernst & Young LLP has maintained their independence and had therefore recommended to the Board that they be nominated for re-appointment as external auditor of the Company at the forthcoming AGM.

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Pursuant to Rule 1207(6)(b) of the SGX-ST Listing Manual, the ARC had undertaken a review of the nature and extent of all non-audit services provided by the external auditors and confirmed that they did not affect the independence and objectivity of the auditors. Please refer to page 128 of this Annual Report for details of fees paid/payable to the external auditors in respect of audit and non-audit services.

Provision 10.4

The Group outsources its internal audit function to a professional internal audit firm, Virtus Assure Pte Ltd. The internal audit firm reported to the ARC that their team members involved in carrying out the internal audit function of the Group are equipped with relevant qualifications and experience, and meet the standards set by The Institute of Internal Auditors in the discharge of their duties. The activities of the internal audit firm are guided by the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The ARC evaluates and decides on the appointment, termination and remuneration of the internal auditor, and make its recommendation to the Board for approval. It reviews and approves the audit plans presented by the internal auditor. The internal auditor is independent of the activities that it audits and it reports its findings and conclusions directly to the ARC. It reviews the Group's material internal controls including financial, operational, compliance and information technology controls as well as risk management system, and has unfettered access to all the Group's documents and personnel, including the ARC.

The ARC is of the view that the internal audit function of the Group is independent, effective and adequately resourced for FY2023.

As part of ongoing corporate governance initiatives, the ARC had deliberated and decided that it was timely to consider a change of the Company's internal auditor with effect from financial year ending 30 June 2024. Proposals and fee quotes were sought from various audit firms and after due evaluation, the ARC selected Baker Tilly Consultancy (Singapore) Pte Ltd to be the internal auditor of the Company with the concurrence of the Board.

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Whistleblowing Policy

The Group has in place a whistleblowing policy pursuant to which any employee of the Group may, in confidence and without fear of reprisal, raise concerns about possible improprieties in matters of financial reporting, internal controls or other matters which may have an adverse effect on the Group. The policy sets out the procedures for a whistleblower to make a report (including anonymous reporting) on misconduct or wrongdoing and ensures that the identity of the whistleblower is kept confidential and protected. The independent Directors (all of whom are ARC members) are responsible for oversight and monitoring of whistleblowing, including investigation of whistleblowing reports which are made in good faith. The whistleblowing policy is disseminated and made available to all employees of the Group through an employees' portal. The whistleblowing policy is reviewed and updated from time to time to ensure that it remains current and applicable.

IV. SHAREHOLDER RIGHTS AND ENGAGEMENT

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

Provision 11.1

The Company is committed to treat all shareholders fairly and equitably. It maintains regular and effective communications with its shareholders by keeping shareholders updated on the business and performance of the Group through issuing announcements of the Group's financial results, publication of the Company's annual report and dissemination of material, price and/or trade sensitive information via the SGX website on a timely and non-selective basis. The Company also maintains a corporate website at www.ellipsiz.com through which shareholders are able to access information on the Group, including the Group's financial results and annual reports. Shareholders are encouraged to participate at general meetings and are given opportunity to express their views and make enquiries regarding the Group at physical general meetings of the Company.

With the easing of COVID-19 safe management measures in Singapore, the Company had conducted a physical AGM in October 2022. The Company will also provide for shareholders' physical attendance at the forthcoming AGM in October 2023. Safe management measures will be put in place by the Company in compliance with applicable laws and regulations to safeguard public health and safety and minimise the risk of community spread of COVID-19.

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Information on general meetings is disseminated through notice in the Company's annual report and/or circular together with the relevant explanatory notes to all shareholders, at least 14 days or 21 days (as the case may be) before the meeting. The notice of general meeting is also released via the SGX website and published in a local newspaper as well as posted on the Company's corporate website. In line with the Company's sustainability effort, annual reports and circulars of the Company are now made available to shareholders through electronic communications released via the SGX website and posted on the Company's corporate website. Subject to applicable laws, shareholders may request for a printed copy of such documents by submitting a request form to the Company. Printed copies of the notice of general meeting, proxy form and such request form are sent to shareholders subject to applicable laws.

Shareholders are informed of the rules, including voting procedures governing general meetings, during the general meetings. All resolutions are put to the vote by electronic poll voting at general meetings. Voting by poll allows for a transparent voting process as shareholders will be able to demonstrate their concerns in a manner that reflect their shareholdings. Independent scrutineers are appointed to conduct the voting process at all general meetings. The number of votes for and against each resolution and their respective percentages of the total votes cast are made known to shareholders at the end of voting for each resolution before the chairman of the meeting declares the results of each poll. The results of the poll for each resolution at a general meeting, showing the number of votes cast for and against each resolution and their respective percentages of the total votes cast and the name of the scrutineers are also announced via the SGX website after each general meeting.

Provision 11.2

Separate resolutions are tabled at general meetings on each substantially separate issue. The Company treats resolutions requiring shareholders' approval, such as, re-election of directors and approval of directors' fees, as distinct subjects and submits them to the general meetings as separate resolutions.

Provision 11.3

All the Directors, relevant management personnel, external auditor and professional advisors (if necessary) are present at the general meetings to address any questions that shareholders may have concerning the Group. All Directors attended the AGM held in October 2022 as disclosed under *Principle 1, Provision 1.5* of this report.

CORPORATE GOVERNANCE REPORT

Provision 11.4

The Company's Constitution allows for shareholders to vote in absentia by appointment of proxy. Under the Company's Constitution, a shareholder may appoint up to two proxies to attend, speak and vote at general meetings through the deposit of a proxy form with the Company at least 72 hours before the meeting. A member who is a relevant intermediary (such as banks and the Central Provident Fund Board) may appoint more than two proxies for the meeting. Voting in absentia by mail, facsimile or electronic mail will not be implemented by the Company for the time being as the integrity of the information and/or proper authentication of the identity of the shareholders remain a concern.

Provision 11.5

Minutes of general meetings, which record substantial and relevant comments and queries from shareholders and the responses from the Board and management, are made available on the Company's corporate website and SGX website.

Provision 11.6

The Company does not have a formal policy on the payment of dividends. Nevertheless, the Company had consistently declared and paid dividends to its shareholders in the past few years. The past 3 years' dividend payouts are set out in the section entitled "*Financial Highlights*" on page 2 of this Annual Report. In considering the level of dividend payments, the Board takes into account various factors, including but not limited to, the performance and financial position of the Company and/or the Group as well as projected levels of capital expenditure and other investment plans. The Company aims to balance cash return to shareholders and investment for sustainable growth while maintaining an efficient capital structure. All dividend declarations or recommendations are announced on the SGX website and the Company's corporate website. In the event the Board decides not to declare or recommend any dividend or if there is a material variation in the dividend rate compared to the previous corresponding period, the Company discloses the reason(s) for such decision or variation in its financial statements pursuant to Rule 704(24) of the SGX-ST Listing Manual. The Company is therefore of the view that it gives its shareholders a balanced and understandable assessment of its dividend policy through disclosures in its financial statements and other announcements, and accordingly its practices conform to the intent of Principle 11 of the Code.

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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.*

Provisions 12.1, 12.2 and 12.3

The Board believes in maintaining regular communication with shareholders to gather their views and to address their concerns, if any. The Board engages shareholders at the AGM and other general meetings. During these meetings, shareholders are given the opportunity to share their views and to raise relevant questions pertaining to the Group. Shareholders and potential investors are encouraged to visit the Company's corporate website at www.ellipsiz.com for information on the Group. They are also encouraged to write to the Company's investor relations department if they have questions.

The Company's policy on investor relations encourages an on-going exchange of views with shareholders. The Company's corporate website has a dedicated investor relations page, which provides guidance on ways for shareholders to contact the Company for any questions pertaining to the Group. Shareholders may also communicate with the Company through the Company's designated electronic mail address at ir@ellipsiz.com. Shareholders' questions received by electronic mail are promptly addressed in consultation with management and/or the Board and where appropriate, the Company may issue an announcement and publish the same on the SGX website and its corporate website in response to questions raised, so that information is available to all shareholders.

Though the Company had ceased quarterly reporting and adopted half-yearly announcement of its financial statements as permitted under the SGX-ST Listing Manual, it continues to observe and comply with its continuing disclosure obligations to keep shareholders promptly updated, as and when there are any material developments relating to the Group.

V. MANAGING STAKEHOLDERS 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.*

Provisions 13.1 and 13.2

The Board has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. The Company has identified the Group's material stakeholders in the course of preparing its Sustainability Report as well as on an on-going basis through internal discussions and reviews by different business units of the Group.

CORPORATE GOVERNANCE REPORT

The Company's strategy and key areas of focus in relation to the management of material stakeholder relationships in FY2023 are disclosed in the Sustainability Report on pages 18 to 50 of this Annual Report.

Provision 13.3

The Company maintains a current corporate website at www.ellipsiz.com to communicate and engage with its shareholders and other stakeholders. The corporate website is updated regularly to keep shareholders and other stakeholders aware of the developments in relation to the Group.

DEALINGS IN SECURITIES

The Company has adopted a set of internal guidelines on dealings in the securities of the Company by the Directors and employees of the Group, and by the Company in the case of share buy-back. The guidelines set out the implications of insider trading, prohibiting the Directors and employees of the Group from dealing in the securities of the Company on short-term considerations and whilst in possession of unpublished price and/or trade sensitive information. The guidelines also prohibit the Company, the Directors and employees of the Group from dealing in the Company's securities during the "black-out" periods which are as prescribed under the SGX-ST Listing Manual, that is, for a period of one month before the announcement of its half-year and full-year financial statements.

The Company also highlights to the Directors and employees of the Group the importance of safeguarding confidential information as well as the consequences of misusing insider information.

INTERESTED PERSON TRANSACTIONS ("IPTs") IN FY2023

The Company's Constitution provides that a Director shall not vote in respect of any contract or proposed contract or arrangement or any other proposal in which he or she has personal material interest, directly or indirectly.

The ARC is tasked under its terms of reference to review all IPTs to ensure that all such transactions are transacted on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

As part of the Company's corporate governance, all IPTs (including those below $100,000) involving the Group will be reviewed by the ARC, taking into account, *inter alia*, the rationale and the value of transaction. All such transactions approved by the ARC will be submitted to the Board for its consideration and approval. Any member of the ARC or the Board who has direct or indirect interest in the transaction will abstain from voting.

CORPORATE GOVERNANCE REPORT

The Company has not obtained a general mandate from its shareholders for IPTs and no IPTs of $100,000 or more were entered into by the Group during FY2023.

MATERIAL CONTRACTS

Save as disclosed in this Annual Report, there were no material contracts or loans entered into by the Company or any of its subsidiaries involving the interests of the CEO, any Director or the controlling shareholders of the Company, either still subsisting at the end of FY2023 or if not then subsisting, entered into since the end of the previous financial year.

FINANCIAL STATEMENTS CONTENTS

DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Ellipsiz Ltd (the "Company") and its subsidiaries (collectively, the "Group"), and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2023.

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 30 June 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

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

Directors

The Directors in office at the date of this statement are:

David Ong Kim Huat	Chairman
Kelvin Lum Wen-Sum	
Amos Leong Hong Kiat	
Clement Leow Wee Kia	
Iris Wu Hwee Tan	
Adrian Lum Wen-Hong	

Arrangements to enable Directors to acquire shares and debentures

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

DIRECTORS' STATEMENT

Directors' interests in shares and debentures

According to the register of Directors' shareholdings kept by the Company under the Singapore Companies Act 1967 (the "Act"), none of the Directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as stated below:

	Deemed interest	
	At the beginning of financial year	**At the end of financial year**
Name of Director and corporation in which interest was held		
The Company		
Ordinary shares		
Amos Leong Hong Kiat	30,000	30,000

There was no change in the above-mentioned interest in the Company between the end of the financial year and 21 July 2023.

Except as disclosed in this statement, no Director who held office at the end of the financial year had an interest in the 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.

As at the end of the financial year, no options to take up unissued shares of the Company or its subsidiaries were granted, and no shares were issued by virtue of the exercise of options or warrants to take up unissued shares of the Company or its subsidiaries.

Audit and risk committee

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

Amos Leong Hong Kiat	Chairman
David Ong Kim Huat	
Clement Leow Wee Kia	
Iris Wu Hwee Tan	

DIRECTORS' STATEMENT

The Audit and Risk Committee carries out its functions in accordance with the Act and these include reviewing:

(a) the independent auditor's audit plan, its evaluation of the system of internal accounting controls and audit report;

(b) the assistance given by the Company's management and/or officers to the independent auditor;

(c) the scope and results of the internal audit procedures with the internal auditor; and

(d) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the Board of Directors.

The Audit and Risk Committee has recommended to the Board of Directors that the independent auditor, Ernst & Young LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Auditor

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

On behalf of the Board of Directors,

David Ong Kim Huat
Director

Kelvin Lum Wen-Sum
Director

18 September 2023

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ellipsiz Ltd (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 30 June 2023, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (the "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 the most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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

Impairment Assessment of Goodwill

As at 30 June 2023, the Group had $21,172,000 of goodwill, which represented 15.1% of its total assets in the consolidated statement of financial position.

Management conducts its impairment review exercise by preparing value-in-use ("VIU") computations using a discounted cash flow model to determine the recoverable values of the cash-generating units ("CGUs"). The projection of cash flows involved various significant assumptions such as forecasted revenue growth rates, gross margins, terminal growth rate and discount rate. As these assumptions required significant judgement and estimations by management, we considered the impairment assessment for goodwill to be a key audit matter.

In addressing this area of focus, our audit procedures included, among others, evaluating and assessing the assumptions and methodology used by management to determine the recoverable amount of the CGUs. We evaluated the robustness of management's budgeting process by comparing actual historical financial performance where available to previously forecasted results, historical data, and the industry outlook. We involved our internal specialist to assist us in assessing the reasonableness of the discount rate and terminal growth rate applied in the VIU calculations. We evaluated the sensitivity of management's VIU computations to reasonable changes in significant assumptions related to discount rate, terminal growth rate and forecasted revenue growth rates.

We also reviewed the adequacy of the disclosures in respect of the impairment assessment in Note 11 to the financial statements.

Valuation of Investment Property

As at 30 June 2023, the carrying value of the Group's investment property, which was stated at fair value, amounted to $23,855,000, representing 17.0% of the Group's total assets in the consolidated statement of financial position. The fair value was determined based on valuation carried out by an independent professional valuer. Other than the magnitude, the valuation of the investment property was significant to our audit as the valuation techniques involved assumptions such as the price of comparable properties.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

As part of our audit procedures, we have considered the objectivity, independence and expertise of the independent professional valuer. In addition, we involved our internal specialist to support our assessment of the appropriateness of the valuation model and the reasonableness of the key assumptions, such as price of comparable lands, used in the valuation by comparing them against available market data, taking into consideration comparability and market factors.

We also assessed the appropriateness of the disclosures in respect of the investment property in Notes 10 and 28(c) to the financial statements.

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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 controls.

– Obtain an understanding of internal controls 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 controls.

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

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

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

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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

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 controls that we identify during our audit.

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless the 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 Tan Soon Seng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

18 September 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group 2023 $'000	Group 2022 $'000
Revenue	4	59,143	55,595
Cost of revenue		(47,475)	(43,447)
Gross profit		11,668	12,148
Other income	5	1,141	1,262
Fair value gain on investment property		430	1,916
Distribution expenses		(3,772)	(3,757)
Administrative expenses		(9,197)	(7,982)
Other expenses	5	(323)	–
Results from operating activities	5	(53)	3,587
Finance income	6	1,249	130
Finance costs		(34)	(26)
Share of results of joint venture (net of tax)	14	(47)	110
Profit before tax		1,115	3,801
Tax expense	7	(417)	(614)
Profit for the year		698	3,187
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss (net of tax)			
Exchange differences arising from translation of financial statements of foreign operations		(1,700)	(17)
Item that will not be reclassified to profit or loss (net of tax)			
Net change in fair value of financial assets at fair value through other comprehensive income		(590)	548
Total other comprehensive income for the year, net of tax		(2,290)	531
Total comprehensive income for the year		(1,592)	3,718

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group 2023 $'000	Group 2022 $'000
Profit/(Loss) attributable to:			
Owners of the Company		2,048	2,751
Non-controlling interests		(1,350)	436
Profit for the year		698	3,187
Total comprehensive income attributable to:			
Owners of the Company		(26)	3,258
Non-controlling interests		(1,566)	460
Total comprehensive income for the year		(1,592)	3,718
Earnings per share			
– Basic and Diluted (cents)	8	1.23	1.65

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Non-current assets					
Plant and equipment	9	2,367	1,978	11	4
Investment property	10	23,855	24,202	–	–
Intangible assets and goodwill	11	22,190	22,455	73	101
Right-of-use assets	12	6,659	993	–	–
Subsidiaries	13	–	–	46,243	31,385
Joint venture	14	72	121	–	–
Financial assets	15	11,176	12,896	8,143	9,704
Amounts due from related parties	19	–	–	15,529	14,296
Deferred tax assets	16	21	13	–	–
		66,340	62,658	69,999	55,490
Current assets					
Trade and other receivables	17	14,065	14,679	127	52
Inventories	18	4,567	4,540	–	–
Amounts due from related parties	19	356	334	1,307	631
Cash and cash equivalents	20	55,189	61,681	31,568	47,900
		74,177	81,234	33,002	48,583
Total assets		140,517	143,892	103,001	104,073
Equity attributable to owners of the Company					
Share capital	21	89,566	89,566	89,566	89,566
Treasury shares	21	(233)	(126)	(233)	(126)
Reserves	22	(14,456)	(12,165)	(864)	107
Retained earnings		32,288	36,365	12,168	11,849
		107,165	113,640	100,637	101,396
Non-controlling interests		12,558	8,022	–	–
Total equity		119,723	121,662	100,637	101,396
Non-current liabilities					
Lease liabilities	12	557	525	–	–
Provisions	24	174	176	–	–
Deferred tax liabilities	16	738	804	–	–
		1,469	1,505	–	–
Current liabilities					
Trade and other payables	23	16,224	18,110	1,194	1,486
Amounts due to related parties	19	1,739	1,539	1,159	1,191
Lease liabilities	12	375	480	–	–
Provisions	24	315	119	–	–
Income tax payable		672	477	11	–
		19,325	20,725	2,364	2,677
Total liabilities		20,794	22,230	2,364	2,677
Total equity and liabilities		140,517	143,892	103,001	104,073

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Group	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Balance as at 1 July 2022	89,566	(126)	(11,648)	(57)	(460)	36,365	113,640	8,022	121,662
Total comprehensive income for the year									
Profit/(Loss) for the year	–	–	–	–	–	2,048	2,048	(1,350)	698
Other comprehensive income									
Exchange differences arising from translation of financial statements of foreign operations	–	–	–	–	(1,484)	–	(1,484)	(216)	(1,700)
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	(590)	–	–	(590)	–	(590)
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	–	–	–	(217)	–	217	–	–	–
Total other comprehensive income, net of tax	–	–	–	(807)	(1,484)	217	(2,074)	(216)	(2,290)
Total comprehensive income for the year	–	–	–	(807)	(1,484)	2,265	(26)	(1,566)	(1,592)

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Group	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Final dividend of 1.00 cent per share in respect of 2022	–	–	–	–	–	(1,666)	(1,666)	–	(1,666)
Purchase of treasury shares	–	(107)	–	–	–	–	(107)	–	(107)
Total contributions by and distributions to owners	–	(107)	–	–	–	(1,666)	(1,773)	–	(1,773)
Changes in ownership interests in subsidiaries									
Capital injections by non-controlling interests	–	–	–	–	–	–	–	5,426	5,426
Acquisition of additional interest in a subsidiary (Note 13(d))	–	–	–	–	–	(4,676)	(4,676)	676	(4,000)
Total changes in ownership interests in subsidiaries	–	–	–	–	–	(4,676)	(4,676)	6,102	1,426
Total transactions with owners	–	(107)	–	–	–	(6,342)	(6,449)	6,102	(347)
Balance as at 30 June 2023	89,566	(233)	(11,648)	(864)	(1,944)	32,288	107,165	12,558	119,723

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Group	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Balance as at 1 July 2021	89,566	(126)	(11,648)	105	(419)	36,237	113,715	7,045	120,760
Total comprehensive income for the year									
Profit for the year	–	–	–	–	–	2,751	2,751	436	3,187
Other comprehensive income									
Exchange differences arising from translation of financial statements of foreign operations	–	–	–	–	(41)	–	(41)	24	(17)
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	548	–	–	548	–	548
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	–	–	–	(710)	–	710	–	–	–
Total other comprehensive income, net of tax	–	–	–	(162)	(41)	710	507	24	531
Total comprehensive income for the year	–	–	–	(162)	(41)	3,461	3,258	460	3,718

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Group	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Final dividend of 2.00 cents per share in respect of 2021	–	–	–	–	–	(3,333)	(3,333)	–	(3,333)
Total contributions by and distributions to owners	–	–	–	–	–	(3,333)	(3,333)	–	(3,333)
Changes in ownership interests in subsidiaries									
Capital injection by non-controlling interest	–	–	–	–	–	–	–	344	344
Acquisition of a subsidiary (Note 13(d))	–	–	–	–	–	–	–	173	173
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	517	517
Total transactions with owners	–	–	–	–	–	(3,333)	(3,333)	517	(2,816)
Balance as at 30 June 2022	89,566	(126)	(11,648)	(57)	(460)	36,365	113,640	8,022	121,662

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Company	Share capital $'000	Treasury shares $'000	Fair value reserve $'000	Retained earnings $'000	Total equity $'000
Balance as at 1 July 2022	89,566	(126)	107	11,849	101,396
Total comprehensive income for the year					
Profit for the year	–	–	–	1,768	1,768
Other comprehensive income					
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	(754)	–	(754)
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	–	–	(217)	217	–
Total other comprehensive income, net of tax	–	–	(971)	217	(754)
Total comprehensive income for the year	–	–	(971)	1,985	1,014
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Final dividend of 1.00 cent per share in respect of 2022	–	–	–	(1,666)	(1,666)
Purchase of treasury shares	–	(107)	–	–	(107)
Total contributions by and distributions to owners	–	(107)	–	(1,666)	(1,773)
Total transactions with owners	–	(107)	–	(1,666)	(1,773)
Balance as at 30 June 2023	89,566	(233)	(864)	12,168	100,637

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Company	**Share capital $'000**	**Treasury shares $'000**	**Fair value reserve $'000**	**Retained earnings $'000**	**Total equity $'000**
Balance as at 1 July 2021	89,566	(126)	29	14,683	104,152
Total comprehensive income for the year					
Loss for the year	–	–	–	(211)	(211)
Other comprehensive income					
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	788	–	788
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	–	–	(710)	710	–
Total other comprehensive income, net of tax	–	–	78	710	788
Total comprehensive income for the year	–	–	78	499	577
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Final dividend of 2.00 cents per share in respect of 2021	–	–	–	(3,333)	(3,333)
Total contributions by and distributions to owners	–	–	–	(3,333)	(3,333)
Total transactions with owners	–	–	–	(3,333)	(3,333)
Balance as at 30 June 2022	89,566	(126)	107	11,849	101,396

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group 2023 $'000	Group 2022 $'000
Cash flows from operating activities			
Profit for the year		698	3,187
Adjustments for:			
Amortisation of intangible assets	11	220	198
Depreciation of plant and equipment	9	454	465
Depreciation of right-of-use assets	12	784	567
Dividend income from financial assets	5	(453)	(781)
Fair value gain on investment property	10	(430)	(1,916)
Fair value loss on financial assets at fair value through profit or loss	5	323	–
Finance income	6	(1,249)	(130)
Finance costs		34	26
Impairment loss on trade and other receivables	17	95	86
Reversal of impairment loss on trade and other receivables	17	(62)	–
Inventories written down	18	81	50
Provision for onerous contracts	24	236	81
Gain on disposal of plant and equipment, net	5	(22)	(20)
Gain on termination of a lease	5	–	(13)
Share of results of joint venture (net of tax)	14	47	(110)
Tax expense	7	417	614
Operating cash flows before working capital changes		1,173	2,304
Changes in:			
Amounts due from/(to) related parties		(179)	946
Inventories		(191)	(655)
Trade and other receivables		410	(219)
Trade and other payables		(1,740)	2,295
Cash (used in)/generated from operations		(527)	4,671
Interest received		1,152	120
Tax paid		(254)	(415)
Net cash generated from operating activities		371	4,376

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group 2023 $'000	Group 2022 $'000
Cash flows from investing activities			
Dividends received from financial assets	5	453	781
Return of capital from a financial asset		–	155
Net cash outflow on acquisition of a subsidiary	13	–	(3,204)
Acquisition of additional interest in a subsidiary	13	(4,000)	–
Leasehold land and ancillary costs	12	(5,929)	–
Purchase of intangible assets	11	(27)	(132)
Purchase of investment property		–	(1,415)
Purchase of plant and equipment	9	(862)	(412)
Purchase of financial assets		(902)	(3,833)
Proceeds from disposal of plant and equipment		25	34
Proceeds from government grants	11	70	–
Proceeds from disposal of financial assets	15	1,709	4,573
Net cash used in investing activities		(9,463)	(3,453)
Cash flows from financing activities			
Capital injections by non-controlling interests		5,426	344
Dividends paid		(1,666)	(3,333)
Proceeds from bank borrowing		153	–
Repayment of bank borrowing		(153)	–
Purchase of treasury shares		(107)	–
Payment of principal portion of lease liabilities		(594)	(597)
Interest paid		(34)	(26)
Net cash generated from/(used in) financing activities		3,025	(3,612)
Net decrease in cash and cash equivalents		(6,067)	(2,689)
Cash and cash equivalents at beginning of year		61,681	64,404
Effects of exchange rate fluctuations on cash held		(425)	(34)
Cash and cash equivalents at end of year	20	55,189	61,681

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1. CORPORATE INFORMATION

Ellipsiz Ltd (the "Company") is incorporated and domiciled in Singapore and is listed on the Singapore Exchange. Its registered office is at 54 Serangoon North Avenue 4, #05-02, Singapore 555854. The Company's immediate and ultimate holding company is Bevrian Pte. Ltd., a company incorporated in Singapore.

The principal activities of the Company are the holding of investments and the provision of management services. The principal activities of its significant subsidiaries are disclosed in Note 13 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

The financial statements are presented in Singapore dollars (SGD or $), which is the Company's functional currency, and all values are rounded to the nearest thousand ($'000) unless otherwise indicated.

2.2 Changes in accounting policies

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 new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 July 2022. The adoption of these standards did not have any material effect on the financial performance or financial position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued and are applicable but which are not yet effective to the Group.

Description	***Effective for annual periods beginning on or after***
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12 *Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements: Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-7 *Statement of Cash Flows and SFRS(I) 7 Financial Instruments: Disclosures: Supplier Finance Arrangements*	1 January 2024
Amendments to SFRS(I) 16 *Leases: Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 10 *Consolidated Financial Statements and* SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The Directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations

(a) Subsidiaries

(i) Basis of consolidation

Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed to, 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control is obtained until the date that control ceases.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment losses, if any.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. 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.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statements of changes in equity, and statements of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations (Cont'd)

(a) Subsidiaries (Cont'd)

(ii) Acquisitions and goodwill

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 periods 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 an asset or liability are recognised in profit or loss.

Non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

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.

Goodwill on acquisitions of subsidiaries is recognised separately as an intangible asset and is carried at cost less accumulated impairment losses, if any. The goodwill is tested for impairment as described in Note 2.9.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations (Cont'd)

(a) Subsidiaries (Cont'd)

(ii) Acquisitions and goodwill (Cont'd)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or when additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date. The measurement period is the period after the acquisition date during which the acquirer may adjust the provisional amounts recognised for a business combination and shall not exceed one year from the acquisition date.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that subsidiary are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I). The Group also derecognises the carrying amount of any non-controlling interest.

Any retained equity interest in the former subsidiary is remeasured at fair value at the date when control is lost. The difference between the carrying amount of the retained interest at the date when control is lost, and its fair value is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations (Cont'd)

(b) Transactions with non-controlling interests

Non-controlling interest represents the equity in a subsidiary 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.

(c) Joint ventures (equity-accounted investees)

A joint venture is a contractual arrangement in which the Group has joint control and rights to the net assets of the investee.

Investment in a joint venture is accounted for using the equity method from the date on which it becomes a joint venture less impairment losses, if any.

(i) Acquisitions and goodwill

Investments in joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Goodwill on acquisition of joint ventures represents the excess of the cost of acquisition of the joint ventures over the Group's share of the fair value of the identifiable net assets of the joint ventures and is included in the carrying amount of the investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations (Cont'd)

(c) Joint ventures (equity-accounted investees) (Cont'd)

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of its joint ventures' post-acquisition profits or losses and movements in other comprehensive income. Distributions, including dividends received or receivable from the joint ventures are recognised as a reduction of the carrying amount of the investments.

When the Group's share of losses in a joint venture equals to or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in a joint venture includes any long-term loans for which settlement is neither planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. After the application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on the Group's investments in joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the joint ventures are prepared at the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations (Cont'd)

(c) Joint ventures (equity-accounted investees) (Cont'd)

(iii) Disposals

Investments in joint ventures are derecognised when the Group loses joint control. If the retained equity interest in the former joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained equity interest at the date when joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

2.5 Foreign currencies

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 rates 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 dates 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Foreign currencies (Cont'd)

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rates of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates approximating those prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity.

However, if a foreign operation is not a wholly-owned subsidiary, then the relevant proportionate share of the foreign currency translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss, as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains or losses arising from such a monetary item are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity.

2.6 Plant and equipment

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Plant and equipment (Cont'd)

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	1 to 10 years
Furniture and fittings	3 to 10 years
Office equipment	5 to 10 years
Computers	3 to 4 years
Motor vehicles	5 to 10 years
Plant and machinery	3 to 10 years

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

Subsequent expenditure relating to plant and equipment that has already been incurred is added to the carrying amount of the item if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

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

2.7 Investment properties

Investment properties are properties owned by the Group that are either held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Investment properties (Cont'd)

Investment properties are derecognised either when they have been disposed of (i.e. at the date the recipient obtains control) or when they are permanently withdrawn from use and future economic benefit is no longer expected to flow to the Group thereafter. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

2.8 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The effects of any such changes are recognised in profit or loss when the changes arise.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised when no future economic benefits are expected from its use upon disposal. Any gain or loss arising upon derecognition of the asset is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Intangible assets (Cont'd)

(a) Computer software

Computer software which has a finite useful life and does not form an integral part of the related hardware is initially recognised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the software for its intended use. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software are amortised to profit or loss on a straight-line basis over the estimated useful lives of 1 to 10 years.

(b) Technology licence

Technology licence acquired separately is amortised to profit or loss on a straight-line basis over the estimated useful life of 5 years.

(c) Customer relationships and backlog orders

Customer relationships and backlog orders acquired in a business combination are identified and recognised separately from goodwill. The costs of such intangible assets are their fair values at the acquisition date. Customer relationships and backlog orders are amortised to profit or loss on a straight-line basis over their estimated useful lives of 1 to 9 years.

2.9 Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value-in-use ("VIU") 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 CGU exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Impairment of non-financial assets (Cont'd)

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

2.10 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 financial instruments.

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

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVPL"). The Group only has debt instruments at amortised cost and FVPL.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Subsequent measurement (Cont'd)

Investments in debt instruments (Cont'd)

(i) 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.

(ii) Fair value through profit or loss

Debt instruments which are not measured at amortised cost are measured at FVPL. Financial assets measured at FVPL are carried in the statement of financial position at fair value with net change in fair value recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("OCI"). Dividends from such investments are recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired or has been transferred and substantially all risks and rewards of ownership no longer remain with the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Derecognition (Cont'd)

On disposal of a debt instrument, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss. Any amount previously recognised in OCI relating to that asset is reclassified to profit or loss.

On disposal of an equity instrument, the difference between the carrying amount and sum of the consideration received and any cumulative gain or loss that had been recognised in OCI is transferred to retained earnings.

(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 instruments. 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 that are not carried at FVPL, directly attributable transaction costs.

Subsequent measurement

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

Derecognition

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial instruments (Cont'd)

(c) Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Impairment of financial assets

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

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

For trade receivables 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 which could affect the debtors' ability to pay.

The Group considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

– the financial asset has exceeded the reasonable range of past due days, taking into consideration historical payment track records, current macroeconomics situation as well as the general industry trend.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Impairment of financial assets (Cont'd)

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

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, except for those inventories relating to certain equipment, where costs are determined on a first-in first-out method.

In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

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.

2.14 Leases

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Leases (Cont'd)

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 rights to use the underlying leased assets.

Right-of-use assets

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

Leasehold land	30 years
Office premises	2 to 5 years
Warehouse	3 years
Office equipment	5 years
Others	2 years

If ownership of a 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 assessment as set out in Note 2.9.

Lease liabilities

At the commencement date of a 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 less any lease incentives receivable, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of any purchase option reasonably certain to be exercised by the Group and the penalties for terminating a lease, if the Group is reasonably certain in exercising an option to terminate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Leases (Cont'd)

As lessee (Cont'd)

Lease liabilities (Cont'd)

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 or to terminate the lease.

Short-term leases and leases of low-value assets

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

2.15 Provisions

(a) General

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Provisions (Cont'd)

(b) Restoration costs

The provision relates to the Group's obligations to restore the office premises and warehouse to their original state and condition. A provision for restoration cost is recognised when an obligation to restore site conditions arises on the initial recognition of the asset. The provision is based on present value of the best estimate of the expenditure required to settle the obligation at the reporting date.

(c) Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

2.16 Government grants

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

Government grants related to an asset are presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset. The grant is then recognised in profit or loss over the useful life of the depreciable asset through depreciation charge.

When the grant relates to an expense item, it is recognised as income in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants recognised as income are presented as a credit in profit or loss under "Other income".

2.17 Employee benefits

(a) Defined contribution plans

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Employee benefits (Cont'd)

(b) Employee leave entitlements

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

(c) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recognised as an expense in the period in which the related service is performed.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(d) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of termination benefits.

2.18 Share capital

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

2.19 Treasury shares

When the Company's ordinary shares are repurchased ("treasury shares"), the consideration paid, including any directly attributable costs, is presented as a component within equity, until they are cancelled, sold or transferred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Treasury shares (Cont'd)

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

When treasury shares are subsequently sold or transferred, the cost of the treasury shares is reversed from the treasury shares account and the realised gain or loss on sale or transfer, net of any directly attributable costs, is taken to the share capital account.

Voting rights related to treasury shares are nullified and no dividends are allocated to them.

2.20 Revenue

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

(a) Sale of goods

At a point in time

Revenue from sale of goods in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods. The individual stand-alone selling price of a good that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction prices to goods with observable stand-alone selling prices.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Revenue (Cont'd)

(a) Sale of goods (Cont'd)

Over time

The Group has certain contracts:

– that include restrictive clauses which provide the customer with enforceable rights to the promised goods if the Group seeks to direct the asset for another use; and

– which the Group has enforceable rights to receive payment for the work completed to date.

Revenue for such contracts is recognised over time with reference to the Group's progress towards completing the promised goods. The measure of progress is determined based on the cost incurred to date as a proportion of the total estimated cost.

(b) Service income

Service income from engineering, repair and maintenance services is recognised over time as the Group concludes that the customer simultaneously receives the benefits as it performs the services over the contractual periods.

(c) Commission income

The Group acts as an agent to provide services of arranging for other parties to transfer goods or services to customers. The Group recognises a commission income at the point in time when a PO is satisfied and the Group has an enforceable right to payment.

2.21 Taxes

(a) Current income tax

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Taxes (Cont'd)

(a) Current income tax (Cont'd)

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 taxable temporary differences, except:

– where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of taxable temporary differences associated with investments in subsidiaries and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

– where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Taxes (Cont'd)

(b) Deferred tax (Cont'd)

– in respect of deductible temporary differences associated with investments in subsidiaries and joint ventures, where 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 assets 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 assets to be recovered.

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

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

(c) Sales tax

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

– where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– receivables and payables that are stated with the amount of sales tax included.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Taxes (Cont'd)

(c) Sales tax (Cont'd)

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

2.22 Financial guarantees

A financial guarantee is a contract that requires the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument. Where a financial guarantee is given with respect to a banking facility, that facility must be drawn down before the definition of financial guarantee is met as a debt.

Financial guarantees issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of loss allowance.

The Company has issued corporate guarantees to banks for bank borrowings of certain of its subsidiaries and a joint venture. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries or joint venture fail(s) to make principal or interest payments when due in accordance with the terms of their borrowings.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.1 Judgement made in applying accounting policies

Management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Key sources of estimation uncertainty

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

(a) Impairment assessment of goodwill

In performing the impairment assessments of the carrying amounts of goodwill, the recoverable amounts of the CGUs in which goodwill is attributable to, are determined using the VIU method. The VIU calculation uses cash flows projections covering either a period of five or ten years and did not include restructuring activities that the Group has not yet committed to or significant future investments that would enhance the performance of the assets of the CGUs being tested. The recoverable amounts are sensitive to the discount rates used for the cash flows projections as well as the revenue growth rates and the terminal growth rates used for extrapolation purposes. The key assumptions used to determine the recoverable amount for each CGU, including a sensitivity analysis where applicable, are disclosed and further explained in Note 11 to the financial statements.

(b) Revaluation of investment property

The Group carries its investment property at fair value with changes in fair value being recognised in profit or loss. The Group engaged an independent professional valuer to assess the fair value as at the reporting date. In determining the fair value, the valuer had used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of the investment property are disclosed in Note 28(c) to the financial statements. The carrying amount of the investment property as at 30 June 2023 was $23,855,000 (2022: $24,202,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. REVENUE

	Group 2023 $'000	Group 2022 $'000
Sale of goods	55,900	51,074
Service income	3,187	4,252
Commission income	56	269
	59,143	55,595
Timing of revenue recognition		
At a point in time	55,673	51,343
Over time	3,470	4,252
	59,143	55,595

Contract assets and contract liabilities

Information on contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group		
	As at 30 June		As at 1 July
	2023 $'000	2022 $'000	2021 $'000
Contract assets (Note 17)	1,367	409	241
Contract liabilities (Note 23)	2,937	6,753	3,227

Contract assets

Contract assets are recorded when revenue recognised on a contract exceeds the billings made. Significant changes in contract assets relating to contract assets being reclassified to trade receivables (third parties) amounted to $409,000 (2022: $241,000).

Contract liabilities

Contract liabilities are recognised as revenue as the Group performs its obligations under the contracts. Revenue recognised that was included in the contract liabilities balance at the beginning of the financial year amounted to $6,025,000 (2022: $2,987,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

5. RESULTS FROM OPERATING ACTIVITIES

The following items have been included in arriving at results from operating activities:

	Group	
	2023 $'000	2022 $'000
Other income		
Dividend income from financial assets	453	781
Exchange gain, net	344	188
Gain on disposal of plant and equipment, net	22	20
Gain on termination of a lease	–	13
Government grants and subsidies	222	231
Reversal of impairment loss on trade and other receivables (Note 17)	62	–
Sundry income	38	29
	1,141	1,262
Employee benefits expenses		
Salaries and bonuses	10,434	10,546
Defined contribution plans	1,063	1,156
Other short-term benefits	944	886
	12,441	12,588
Other expenses		
Fair value loss on financial assets at fair value through profit or loss	323	–
Audit fees paid/payable to:		
– auditor of the Company	216	149
– other auditors	12	13
Non-audit fees paid/payable to:		
– auditor of the Company	21	23
– other auditors	1	1
Amortisation of intangible assets (Note 11)	220	198
Depreciation of plant and equipment (Note 9)	454	465
Depreciation of right-of-use assets (Note 12)	784	567
Impairment loss on trade and other receivables (Note 17)	95	86
Inventories written down (Note 18)	81	50
Operating lease expenses	170	22
Provision for onerous contracts (Note 24)	236	81

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

6. FINANCE INCOME

	Group 2023 $'000	Group 2022 $'000
Interest income from financial institutions	1,249	130

7. TAX EXPENSE

Major components of tax expense

The major components of tax expense for the financial years ended 30 June 2023 and 30 June 2022 were:

	Group 2023 $'000	Group 2022 $'000
Current tax expense		
Current year	614	437
Withholding tax	10	20
(Over)/Under provision in respect of prior years	(153)	14
	471	471
Deferred tax (credit)/expense		
Origination and reversal of temporary differences	(54)	143
Tax expense recognised in profit or loss	417	614

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

7. TAX EXPENSE (CONT'D)

Relationship between tax expense and profit before tax

A reconciliation between tax expense and the product of profit before tax multiplied by the applicable corporate tax rate for the financial years ended 30 June 2023 and 30 June 2022 was as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Profit before tax	1,115	3,801
Income tax at the corporate tax rate of 17%	190	646
Effect of different tax rates in foreign jurisdictions	18	131
Effect of results of equity-accounted investees presented net of tax	8	(19)
Income not subject to tax	(260)	(563)
Non-deductible expenses	605	406
Withholding tax	10	20
Deferred tax assets not recognised	293	15
Utilisation of previously unrecognised deferred tax assets	(294)	(36)
(Over)/Under provision in respect of prior years	(153)	14
Tax expense recognised in profit or loss	417	614

Tax consequence of proposed dividends

There is no income tax consequence attached to the dividends to shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 31).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

8. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial year.

As there were no share options or warrants granted, the basic and diluted earnings per share were the same.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 30 June 2023 and 30 June 2022:

	Group	
	2023	**2022**
	$'000	**$'000**
Profit for the year attributable to owners of the Company	2,048	2,751
Weighted average number of ordinary shares ('000)	166,595	166,668

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

9. PLANT AND EQUIPMENT

Group	Leasehold improvements $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Motor vehicles $'000	Plant and machinery $'000	Assets under construction $'000	Total $'000
Cost								
At 1 July 2021	574	170	111	421	1,264	116	227	2,883
Acquisition of a subsidiary (Note 13(d))	–	–	–	–	–	–	560	560
Additions	–	–	2	36	–	275	99	412
Disposals	–	–	–	–	–	(41)	–	(41)
Reclassifications	–	–	–	–	–	203	(203)	–
Government grants	–	–	–	–	–	(107)	–	(107)
Exchange differences	(3)	*	*	(2)	–	(6)	–	(11)
At 30 June 2022 and 1 July 2022	571	170	113	455	1,264	440	683	3,696
Additions	88	–	*	47	–	1	726	862
Disposals	–	–	(6)	(37)	–	(21)	–	(64)
Write-offs	–	–	(6)	(69)	–	–	–	(75)
Exchange differences	(3)	*	*	(2)	–	(15)	–	(20)
At 30 June 2023	656	170	101	394	1,264	405	1,409	4,399
Accumulated depreciation								
At 1 July 2021	344	122	83	338	305	95	–	1,287
Charge for the year	71	20	9	61	235	69	–	465
Disposals	–	–	–	–	–	(27)	–	(27)
Exchange differences	(3)	–	–	(2)	–	(2)	–	(7)
At 30 June 2022 and 1 July 2022	412	142	92	397	540	135	–	1,718
Charge for the year	71	18	7	38	235	85	–	454
Disposals	–	–	(5)	(35)	–	(21)	–	(61)
Write-offs	–	–	(6)	(69)	–	–	–	(75)
Exchange differences	(1)	*	(1)	(1)	–	(1)	–	(4)
At 30 June 2023	482	160	87	330	775	198	–	2,032
Carrying amounts								
At 30 June 2022	159	28	21	58	724	305	683	1,978
At 30 June 2023	174	10	14	64	489	207	1,409	2,367

* Amount less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

9. PLANT AND EQUIPMENT (CONT'D)

Company	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Total $'000
Cost				
At 1 July 2021	12	4	35	51
Additions	–	–	2	2
At 30 June 2022 and 1 July 2022	12	4	37	53
Additions	–	–	11	11
At 30 June 2023	12	4	48	64
Accumulated depreciation				
At 1 July 2021	12	3	31	46
Charge for the year	–	1	2	3
At 30 June 2022 and 1 July 2022	12	4	33	49
Charge for the year	*	*	4	4
At 30 June 2023	12	4	37	53
Carrying amounts				
At 30 June 2022	–	–	4	4
At 30 June 2023	–	–	11	11

* Amount less than $1,000

Depreciation for the financial years was included in the following line items in profit or loss:

	Group 2023 $'000	Group 2022 $'000
Cost of revenue	98	87
Distribution expenses	24	27
Administrative expenses	332	351
	454	465

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

10. INVESTMENT PROPERTY

	Group	
	2023	**2022**
	$'000	**$'000**
At 1 July	24,202	20,632
Additions	–	1,357
Direct costs	–	127
Gain from fair value adjustment recognised in profit or loss	430	1,916
Exchange differences	(777)	170
At 30 June	23,855	24,202

The Group's investment property consists of 81 plots of girik land (Alas Hak) with a total land area of approximately 863,000 square metres located at Desa Berakit, Kecamatan Teluk Sebong, Kabupaten Bintan, Kepulauan Riau Province, Indonesia.

Alas Hak is an unregistered right over the land. This right-of-use asset arises as a result of occupation, residence on land, or by renouncement of right by the previous holder of land covered by Alas Hak.

Valuation of investment property

The investment property is stated at fair value, which was determined based on a valuation performed at the end of the financial year. The valuation was carried out by KJPP Wilson dan Rekan in association with Knight Frank, an independent professional valuer. Details of the valuation techniques and inputs used are disclosed in Note 28(c) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

11. INTANGIBLE ASSETS AND GOODWILL

Group	Computer software $'000	Technology licence $'000	Customer relationships and backlog orders $'000	Goodwill $'000	Total $'000
Cost					
At 1 July 2021	534	161	1,481	17,199	19,375
Acquisition of a subsidiary (Note 13(d))	2	–	–	4,183	4,185
Additions	132	–	–	–	132
Write-offs	–	(161)	–	–	(161)
Adjustments	–	–	(61)	–	(61)
Exchange differences	–	–	–	(2)	(2)
At 30 June 2022 and 1 July 2022	668	–	1,420	21,380	23,468
Additions	27	–	–	–	27
Government grants	(70)	–	–	–	(70)
Exchange differences	(1)	–	–	(2)	(3)
At 30 June 2023	624	–	1,420	21,378	23,422
Accumulated amortisation					
At 1 July 2021	339	161	330	206	1,036
Charge for the year	40	–	158	–	198
Write-offs	–	(161)	–	–	(161)
Adjustments	–	–	(61)	–	(61)
Exchange differences	1	–	–	–	1
At 30 June 2022 and 1 July 2022	380	–	427	206	1,013
Charge for the year	62	–	158	–	220
Exchange differences	(1)	–	–	–	(1)
At 30 June 2023	441	–	585	206	1,232
Carrying amounts					
At 30 June 2022	288	–	993	21,174	22,455
At 30 June 2023	183	–	835	21,172	22,190

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

11. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Company	Computer software $'000
Cost	
At 1 July 2021	29
Additions	72
At 30 June 2022 and 1 July 2022	101
Additions	22
Government grants	(30)
At 30 June 2023	93
Accumulated amortisation	
At 1 July 2021, 30 June 2022 and 1 July 2022	–
Charge for the year	20
At 30 June 2023	20
Carrying amounts	
At 30 June 2022	101
At 30 June 2023	73

Amortisation for the financial years was included in the following line items in profit or loss:

	Group 2023 $'000	Group 2022 $'000
Cost of revenue	5	–
Administrative expenses	215	198
	220	198

The remaining amortisation periods are as follows:

	Group Number of years 2023	Group Number of years 2022
Computer software	1 to 5	1 to 3
Customer relationships and backlog orders	5	6

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

11. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Goodwill impairment assessment

Goodwill is allocated to the Group's CGUs as follows:

	Group 2023 $'000	Group 2022 $'000
Distribution and Services Solutions ("DSS")	15,389	15,391
Automated Precision System Solutions ("APSS")	1,600	1,600
Egg Production and Distribution ("EPD") (Note 13(d))	4,183	4,183
	21,172	21,174

The recoverable amounts of the CGUs are determined annually based on VIU calculation. The VIU calculation uses cash flow projections based on financial forecasts approved by management.

Key assumptions used for VIU calculations

For the purpose of estimating the recoverable amounts of the CGUs, management had used the following key assumptions for the cash flow projections:

Group	Cash flow projection period	Average revenue growth rate %	Pre-tax discount rate %	Terminal growth rate %
2023				
DSS	Five-year	3.0	13.3	1.3
APSS	Five-year	10.7	15.6	2.0
EPD	Ten-year	7.4	12.8	1.3
2022				
DSS	Five-year	5.5	12.9	1.3
APSS	Five-year	10.3	15.6	2.0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

11. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Key assumptions used for VIU calculations (Cont'd)

The calculations of VIU for the CGUs are most sensitive to the following assumptions:

Revenue growth rates

The average revenue growth rates per annum used are based on past performance as well as forecasts outlined in industry reports, serving as a benchmark. Management determined gross profit growth rate per annum based on past performance and its expectations of market developments.

Pre-tax discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, in relation to the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculations are based on the specific circumstances of the Group and its CGUs and are derived from its weighted average cost of capital.

Terminal growth rates

The terminal growth rates are based on the relevant industry outlook and do not exceed the long-term average growth rates for the industries relevant to the CGUs.

Sensitivity to changes in assumptions

DSS

Management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value to materially exceed the recoverable amount.

APSS

The estimated recoverable amount exceeds its carrying amount by approximately $180,000 (2022: $400,000). A decrease of 1.3% (2022: 0.7%) in the average revenue growth rate per annum would result in estimated recoverable amount being equal to the carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

11. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Sensitivity to changes in assumptions (Cont'd)

EPD

A ten-year period projection was used for VIU calculation as the EPD segment had not commenced operations as at 30 June 2023 and it is expected to take approximately three to four years for the egg farm to achieve maximum capacity when it commences operations. The average revenue growth rate per annum of 7.4% was derived for periods after the CGU has reached its maximum capacity. Management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value to materially exceed the recoverable amount.

12. LEASES

As lessee

The Group has lease contracts for its leasehold land, office premises, warehouse and office equipment with lease terms ranging from 2 to 30 years. The Group's obligations under the leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

The Group also has leases of office premises, warehouse and motor vehicles 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 30 JUNE 2023

12. LEASES (CONT'D)

As lessee (Cont'd)

(a) Right-of-use assets

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

Group	Leasehold land $'000	Office premises $'000	Warehouse $'000	Office equipment $'000	Others $'000	Total $'000
At 1 July 2021	–	579	257	17	–	853
Acquisition of a subsidiary (Note 13(d))	–	–	–	–	76	76
Additions	–	573	–	62	–	635
Depreciation charge for the year	–	(387)	(166)	(14)	–	(567)
Lease termination	–	–	–	(3)	–	(3)
Exchange differences	–	(2)	–	1	–	(1)
At 30 June 2022 and 1 July 2022	–	763	91	63	76	993
Additions	5,929	522	–	–	–	6,451
Depreciation charge for the year	(189)	(425)	(91)	(14)	(65)	(784)
Lease modification	–	12	–	–	–	12
Exchange differences	–	(12)	–	(1)	–	(13)
At 30 June 2023	5,740	860	–	48	11	6,659

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

12. LEASES (CONT'D)

As lessee (Cont'd)

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities recognised and the movements during the financial years:

	Group	
	2023	**2022**
	$'000	**$'000**
At 1 July	1,005	908
Acquisition of a subsidiary (Note 13(d))	–	76
Additions	522	635
Accretion of interest	33	26
Payments	(627)	(623)
Lease modification	12	–
Lease termination	–	(16)
Exchange differences	(13)	(1)
At 30 June	932	1,005
Represented by:		
Current	375	480
Non-current	557	525
Total lease liabilities	932	1,005

The maturity analysis of lease liabilities is as follows:

	2023	2022
Within one year	524	618
One to five years	441	434
Total undiscounted lease liabilities	965	1,052

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

12. LEASES (CONT'D)

As lessee (Cont'd)

(c) Amounts recognised in profit or loss

	Group	
	2023	**2022**
	$'000	**$'000**
Depreciation of right-of-use assets	784	567
Interest expense on lease liabilities	33	26
Gain on termination of a lease	–	(13)
Lease expenses not capitalised in lease liabilities:		
Expenses relating to short-term leases	168	22
Expenses relating to low-value assets	2	–
Total amounts recognised in profit or loss	987	602

(d) Total cash outflows

During the financial year, the Group had total cash outflows for leases (including short-term leases and low-value assets) of $797,000 (2022: $645,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of $522,000 (2022: $635,000) along with cash additions to the right-of-use asset of $5,929,000 for leasehold land.

(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 to align with the Group's business needs.

The Group had included extension option in the lease term for lease of an office premises because of the additional costs that would arise from relocation. The extension options for leases of other office premises and office equipment are not included as part of the lease terms as the management is not reasonably certain that these options will be exercised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

12. LEASES (CONT'D)

As lessee (Cont'd)

A reconciliation of liabilities to the Group's financing activity is as follows:

	1 July 2022 $'000	Cash flows $'000	Additions $'000	Lease modification $'000	Exchange differences movement $'000	Others $'000	30 June 2023 $'000
Lease liabilities							
– Current	480	(594)	220	5	(7)	271	375
– Non-current	525	–	302	7	(6)	(271)	557
Bank borrowing	–	–[1]	–	–	–	–	–
Total	1,005	(594)	522	12	(13)	–	932

	1 July 2021 $'000	Repayment of principal portion $'000	Acquisition of a subsidiary (Note 13(d)) $'000	Additions $'000	Lease termination $'000	Exchange differences movement $'000	Others $'000	30 June 2022 $'000
Lease liabilities								
– Current	572	(597)	65	184	(16)	(1)	273	480
– Non-current	336	–	11	451	–	–	(273)	525
Total	908	(597)	76	635	(16)	(1)	–	1,005

The "Others" column comprised the reclassification of non-current lease liabilities to current lease liabilities due to passage of time.

1 During the financial year ended 30 June 2023, the net cash flows relating to a bank borrowing are in respect of proceeds from and repayments of the bank borrowing of $153,000 each.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

13. SUBSIDIARIES

	Company	
	2023	**2022**
	$'000	**$'000**
Unquoted equity shares, at cost	48,119	32,302
Less: Impairment loss	(1,876)	(917)
	46,243	31,385

The movements in impairment loss are as follows:

	Company	
	2023	**2022**
	$'000	**$'000**
At 1 July	917	917
Charge for the year	959	–
At 30 June	1,876	917

Impairment assessment for investments in subsidiaries

During the financial year, the Company had performed impairment assessments for its investments in subsidiaries due to impairment indicator noted and recognised impairment losses of $361,000 (2022: Nil) and $598,000 (2022: Nil) for its investments in Axis-Tec Pte. Ltd. ("ATPL") and Ellipsiz Investments Pte. Ltd. ("EIPL") respectively.

The assessment of recoverable amount for ATPL was based on cash flows projection derived from financial forecasts approved by management. The key assumptions for the VIU calculation comprised the revenue growth rate, terminal growth rate and the pre-tax discount rate as disclosed in Note 11. The assessment of recoverable amount for EIPL was based on net assets approach as management determined that the net assets value is representative of the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

13. SUBSIDIARIES (CONT'D)

(a) Composition of the Group

The Group has the following significant investments in subsidiaries:

Name of subsidiary	Principal activities	Principal place of business/ Country of incorporation	Proportion of ownership interest 2023 %	2022 %
Held by the Company				
Ellipsiz DSS Pte. Ltd.[1]	Provision of solutions for in-circuit and functional testing, distribution and trading of scientific instruments and electronic equipment, provision of related technical services and support, and trading of consumable products to hospitals, pharmaceutical, electronic and food processing industries, commission agent and provision of management services	Singapore	100	100
iNETest Resources Pte. Ltd.[1]	Investment holding	Singapore	100	100
Axis-Tec Pte. Ltd.[1]	Provision of customised systems and solutions for test automation, high precision automated assembly process for fibre and lens, and full automated wafer level testing	Singapore	51	51
Ellipsiz Investments Pte. Ltd.[1]	Investment holding	Singapore	100	100
EIR Investments Pte. Ltd.[1]	Investment holding	Singapore	100	100
Ellipsiz Agro Investments Pte. Ltd.[1]	Investment holding	Singapore	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

13. SUBSIDIARIES (CONT'D)

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

Name of subsidiary	Principal activities	Principal place of business/ Country of incorporation	Proportion of ownership interest 2023 %	2022 %
Held through iNETest Resources Pte. Ltd.				
Ellipsiz iNETest (Suzhou) Co., Ltd.[3]	Provision of solutions for in-circuit and functional testing	China	100	100
Ellipsiz iNETest (Shanghai) Co., Ltd.[3]	Provision of solutions for in-circuit and functional testing	China	100	100
Ellipsiz iNETest Co., Ltd.[2]	Sales and service support for semiconductor assembly and electronics manufacturing testing products	Taiwan	100	100
iNETest Malaysia Sdn. Bhd.[3]	Provision of solutions for in-circuit and functional testing, sales and marketing of scientific and industrial products, provision of sales, engineering and service support, and trading and distribution of equipment and facility works	Malaysia	100	100
Held through Axis-Tec Pte. Ltd.				
Axis2Tec Sdn. Bhd.[3]	Provision of engineering services	Malaysia	51	51
Held through Ellipsiz Investments Pte. Ltd.				
Cyan Bay Pte. Ltd.[1]	Investment holding	Singapore	100	100
Held through Cyan Bay Pte. Ltd.				
PT Super Makmur Sejahtera[3][4]	Property investment and development	Indonesia	75	75
Held through EIR Investments Pte. Ltd.				
Indovend Pte. Ltd.[1]	Dormant	Singapore	60	60
Held through Indovend Pte. Ltd.				
PT Surya Indovend Jaya[5]	Dormant	Indonesia	59.76	59.76

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

13. SUBSIDIARIES (CONT'D)

(a) *Composition of the Group (Cont'd)*

Name of subsidiary	Principal activities	Principal place of business/ Country of incorporation	Proportion of ownership interest 2023 %	2022 %
Held through Ellipsiz Agro Investments Pte. Ltd.				
ISE Capital Management Pte. Ltd.(1)	Investment holding	Singapore	80	40
Held through ISE Capital Management Pte. Ltd.				
ISE Foods Holdings Pte. Ltd.(1)(6)	Production and distribution of fresh eggs	Singapore	56	28

(1) Audited by Ernst & Young LLP, Singapore.
(2) Audited by a member firm of EY Global.
(3) Audited by other accounting firms.
(4) The remaining 25% interest is held by a related party.
(5) Undergoing voluntary liquidation.
(6) The development of the egg farm is at its planning stage.

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

The Group has the following subsidiaries with NCI that are material to the Group:

Name of subsidiary	Proportion of ownership interest held by NCI 2023 %	2022 %	Accumulated NCI at the end of reporting period 2023 $'000	2022 $'000
Axis-Tec Pte. Ltd. ("ATPL")	49	49	1,368	1,626
ISE Foods Holdings Pte. Ltd. ("IFH")	44	72	5,213	235
PT Super Makmur Sejahtera ("PT SMS")	25	25	5,724	5,791

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

13. SUBSIDIARIES (CONT'D)

(c) Summarised financial information of subsidiaries with material NCI

Set out below are the summarised financial information of each subsidiary with NCI material to the Group. The information presented are before inter-company eliminations.

Summarised statements of financial position

	ATPL		IFH		PT SMS	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Current						
Assets	3,913	4,513	11,419	941	25	8
Liabilities	(2,117)	(2,540)	(390)	(75)	(389)	(443)
Net current assets/ (liabilities)	1,796	1,973	11,029	866	(364)	(435)
Non-current						
Assets	1,331	1,706	7,229	638	23,855	24,202
Liabilities	(391)	(417)	(47)	(11)	(596)	(605)
Net non-current assets	940	1,289	7,182	627	23,259	23,597
Net assets	2,736	3,262	18,211	1,493	22,895	23,162

Summarised statements of total comprehensive income

	ATPL		IFH		PT SMS	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Revenue	4,955	4,565	–	–	–	–
(Loss)/Profit before tax	(561)	(74)	(1,283)	–	397	1,872
Tax credit/(expense)	35	4	–	–	(11)	(86)
(Loss)/Profit for the year, representing total comprehensive income	(526)	(70)	(1,283)	–	386	1,786
Total comprehensive income allocated to NCI	(258)	(34)	(853)	–	97	446

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

13. SUBSIDIARIES (CONT'D)

(c) Summarised financial information of subsidiaries with material NCI (Cont'd)

Summarised statements of cash flows

	ATPL		IFH		PT SMS	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Net cash (used in)/ generated from operating activities	(316)	762	(601)	–	(80)	16
Net cash used in investing activities	(33)	(65)	(6,745)	–	–	(1,426)
Net cash (used in)/ generated from financing activities	(128)	(1,126)	17,905	–	104	1,343

(d) Acquisition of a subsidiary

ISE Capital Management Pte. Ltd.

On 30 June 2022, Ellipsiz Agro Investments Pte. Ltd. ("EAIPL"), a wholly-owned subsidiary of the Company, acquired a 40% interest in ISE Capital Management Pte. Ltd. ("ICM") for a consideration of $4,000,000. ICM holds a 70% interest in ISE Foods Holdings Pte. Ltd. ("IFH") which will be developing and operating the 4th egg farm in Singapore.

EAIPL had carried out a purchase price allocation exercise during the financial year to determine the fair value of assets or liabilities acquired at the acquisition date and had retrospectively adjusted the provisional goodwill recorded on completion of exercise.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

13. SUBSIDIARIES (CONT'D)

(d) Acquisition of a subsidiary (Cont'd)

ISE Capital Management Pte. Ltd. (Cont'd)

The fair value of the identifiable assets and liabilities of ICM was as follows:

	Provisional amount previously reported $'000	Fair value adjustments $'000	Final amount $'000
Assets			
Plant and equipment (Note 9)	560	–	560
Right-of-use assets (Note 12(a))	76	–	76
Intangible assets (Note 11)	2	–	2
Trade and other receivables	388	(240)	148
Cash and cash equivalents	796	–	796
	1,822	(240)	1,582
Liabilities			
Trade and other payables	(1,556)	40	(1,516)
Lease liabilities (Note 12(b))	(76)	–	(76)
	(1,632)	40	(1,592)
Total identifiable net liabilities at fair value	190	(200)	(10)
Less: Non-controlling interests measured at non-controlling interests' proportionate share of net liabilities	(293)	120	(173)
Add: Goodwill arising from acquisition (Note 11)	4,103	80	4,183
	4,000	–	4,000
Total purchase consideration	(4,000)	–	(4,000)
Add: Cash and cash equivalents acquired	796	–	796
Net cash outflow	(3,204)	–	(3,204)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

13. SUBSIDIARIES (CONT'D)

(d) Acquisition of a subsidiary (Cont'd)

ISE Capital Management Pte. Ltd. (Cont'd)

Goodwill arising from acquisition

The provisional goodwill recorded by EAIPL for the acquisition of ICM as at 30 June 2022 was approximately $4,103,000. EAIPL had carried out a purchase price allocation exercise during the financial year and had retrospectively adjusted the goodwill to $4,183,000 on completion of the exercise.

Acquisition of additional interest in ICM

During the financial year, EAIPL acquired an additional 40,000 ordinary shares in ICM representing 40% of the issued and paid-up share capital of ICM from its non-controlling interest for a consideration of $4,000,000. With this additional acquisition, EAIPL's shareholding interest in ICM increased to 80%.

The effect of the changes in the ownership interest of the Group on the equity attributable to owners of the Company during the financial year is summarised as follows:

	2023 **$'000**
Carrying amount of non-controlling interest acquired	(676)
Consideration paid to non-controlling interest	(4,000)
Excess of consideration paid recognised in owner's equity	(4,676)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

14. JOINT VENTURE

	Group	
	2023 $'000	2022 $'000
Unquoted equity investment, carrying amount	72	121

Details of the joint venture are as follows:

Name of joint venture	Principal activity	Principal place of business/ Country of incorporation	Proportion of ownership interest 2023 %	2022 %
Adell Solutions Pte. Ltd.[1]	Sale and purchase of used semiconductor equipment	Singapore	50	50

[1] Held through Ellipsiz DSS Pte Ltd and audited by Ernst & Young LLP, Singapore.

The joint venture was not material to the Group.

The Group's share of results of the joint venture was as follows:

	Group	
	2023 $'000	2022 $'000
Share of joint venture's (loss)/profit	(47)	110
Share of joint venture's total comprehensive income	(47)	110

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

15. FINANCIAL ASSETS

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Non-current assets				
At FVOCI:				
– Equity securities (quoted)	8,143	9,704	8,143	9,704
At FVPL:				
– Debt security (quoted)	1,414	1,426	–	–
– Debt security (unquoted)	1,619	1,766	–	–
	3,033	3,192	–	–
Total	11,176	12,896	8,143	9,704

Financial assets that are measured at FVOCI relate to investments in equity securities. The Group has elected to designate these financial assets at FVOCI as the Group intends to hold them for long-term investment purposes to generate returns and for capital appreciation.

During the financial year, the Group had disposed of certain quoted equity securities for $1,709,000 (2022: $4,573,000). The cumulative gain arising on the disposals of $217,000 (2022: $710,000) was reclassified from fair value reserve to retained earnings.

16. DEFERRED TAX

Movements in deferred tax of the Group during the financial years were as follows:

Group	**At 1 July 2022 $'000**	**Recognised in profit or loss $'000**	**Exchange differences $'000**	**At 30 June 2023 $'000**
Deferred tax assets				
Provisions	22	12	(1)	33
Others	9	–	–	9
	31	12	(1)	42

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

16. DEFERRED TAX (CONT'D)

Group	At 1 July 2022 $'000	Recognised in profit or loss $'000	Exchange differences $'000	At 30 June 2023 $'000
Deferred tax liabilities				
Differences in depreciation for tax purposes	(22)	6	(1)	(17)
Fair value gain on investment property	(606)	(11)	21	(596)
Differences in amortisation of intangible assets	(169)	27	–	(142)
Others	(25)	20	1	(4)
	(822)	42	21	(759)
Deferred tax credit, net		54		

Group	At 1 July 2021 $'000	Recognised in profit or loss $'000	Exchange differences $'000	At 30 June 2022 $'000
Deferred tax assets				
Provisions	22	–	–	22
Others	75	(66)	–	9
	97	(66)	–	31
Deferred tax liabilities				
Differences in depreciation for tax purposes	(29)	7	–	(22)
Fair value gain on investment property	(516)	(86)	(4)	(606)
Differences in amortisation of intangible assets	(196)	27	–	(169)
Others	–	(25)	–	(25)
	(741)	(77)	(4)	(822)
Deferred tax expense, net		(143)		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

16. DEFERRED TAX (CONT'D)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but the entities intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously. The amounts determined after appropriate offsetting are included in the statements of financial position as follows:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Deferred tax assets	21	13	–	–
Deferred tax liabilities	(738)	(804)	–	–
	(717)	(791)	–	–

Unrecognised temporary differences relating to investments in subsidiaries

The Group had not recognised deferred tax liability in respect of undistributed profits of overseas subsidiaries because the Group had determined that the undistributed earnings of these subsidiaries would not be distributed in the foreseeable future. The deferred tax liability was estimated to be $581,000 (2022: $587,000).

Unrecognised tax losses, deductible temporary differences and unutilised allowances

At the reporting date, the Group had unrecognised tax losses, deductible temporary differences and unutilised allowances of approximately $1,648,000 (2022: $865,000), $367,000 (2022: $579,000) and Nil (2022: $541,000) respectively which are available for offset against future taxable profits of the entities. Deferred tax assets have not been recognised as it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom. The use of these tax losses and unutilised allowances is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislations of the countries in which the entities operate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trade receivables (current)				
Third parties	10,666	10,393	–	–
Sales tax receivables	73	11	–	–
Contract assets	1,367	409	–	–
Unbilled receivables	248	463	–	–
Total trade receivables	12,354	11,276	–	–
Less: Impairment loss	(181)	(148)	–	–
Total trade receivables, net	12,173	11,128	–	–
Other receivables (current)				
Sundry receivables	510	410	91	16
Tax recoverables	92	119	–	–
Refundable deposits	404	342	–	–
Prepayments	976	2,770	36	36
Total other receivables	1,982	3,641	127	52
Less: Impairment loss	(90)	(90)	–	–
Total other receivables, net	1,892	3,551	127	52
Total trade and other receivables	14,065	14,679	127	52
Add: Cash and cash equivalents (Note 20)	55,189	61,681	31,568	47,900
Add: Amounts due from related parties (Note 19)	356	334	16,836	14,927
Less: Contract assets (Note 4)	(1,367)	(409)	–	–
Less: Sales tax receivables	(73)	(11)	–	–
Less: Tax recoverables	(92)	(119)	–	–
Less: Prepayments	(976)	(2,770)	(36)	(36)
Total financial assets carried at amortised cost	67,102	73,385	48,495	62,843

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

Contract assets primarily relate to the Group's conditional rights to consideration for goods or services delivered but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

17. TRADE AND OTHER RECEIVABLES (CONT'D)

Expected credit losses ("ECLs")

The movements in the allowance for ECLs of trade and other receivables (excluding sales tax receivables, tax recoverables and prepayments) computed based on lifetime ECLs are as follows:

	Group	
	2023 **$'000**	**2022** **$'000**
Movements in allowance:		
At 1 July	238	182
Charge for the year (Note 5)	95	86
Reversal (Note 5)	(62)	–
Write-offs	–	(30)
At 30 June	271	238

Apart from the above, based on historical default rates, the Group believed that no further impairment loss was necessary in respect of trade and other receivables. The Group's historical experience in the collection of trade and other receivables falls within the recorded impairment loss. Due to these factors, management believed that no further credit risk beyond the amounts provided for collection losses was inherent in the Group's trade and other receivables.

18. INVENTORIES

	Group	
	2023 **$'000**	**2022** **$'000**
Statements of financial position		
Work-in-progress	885	2,300
Finished goods	3,682	2,240
	4,567	4,540
Consolidated statement of comprehensive income		
Inventories recognised as an expense in the cost of revenue	41,947	37,715
Inventories written down recognised as an expense in the distribution expenses (Note 5)	81	50

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

19. AMOUNTS DUE FROM/(TO) RELATED PARTIES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Amounts due from:				
– Subsidiaries (trade)	–	–	–	246
– Subsidiaries (non-trade)	–	–	1,307	385
– Joint venture (trade)	77	52	–	–
– Joint venture (non-trade)	272	276	–	–
– Related party (non-trade)	7	6	–	–
	356	334	1,307	631
Loans due from:				
– Subsidiaries	–	–	15,529	14,296
	356	334	16,836	14,927
Represented by:				
Current	356	334	1,307	631
Non-current	–	–	15,529	14,296
	356	334	16,836	14,927
Amounts due to:				
– Subsidiaries (non-trade)	–	–	(1,159)	(1,191)
– Joint venture (trade)	(72)	(74)	–	–
– Related parties (non-trade)	(1,667)	(1,465)	–	–
	(1,739)	(1,539)	(1,159)	(1,191)
Represented by:				
Current	(1,739)	(1,539)	(1,159)	(1,191)

The trade and non-trade amounts due from/(to) subsidiaries, joint venture and related parties are unsecured, non-interest bearing and repayable on demand or upon maturity.

Loans due from subsidiaries

Loans due from subsidiaries are unsecured, non-interest bearing and repayable on demand except for an amount of $12,740,000 (2022: Nil) which is unsecured, bears interest at rates ranging from 3.04% to 5.42% (2022: Nil) per annum and repayable upon maturity.

The Group is of the view that the amounts due from related parties are considered to have low probability of default and no impairment loss was necessary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Cash at banks and in hand	9,610	18,314	626	5,496
Short-term deposits	45,579	43,367	30,942	42,404
	55,189	61,681	31,568	47,900

Cash at banks earns interest at floating deposit rates. Short-term deposits were placed with financial institutions for varying periods of between two weeks and three months (2022: two weeks and three months), depending on the cash requirements of the Group and the Company, earning interest ranging from 0.10% to 4.64% (2022: 0.12% to 1.40%) per annum and 0.50% to 4.58% (2022: 0.12% to 1.25%) per annum for the Group and the Company respectively.

21. SHARE CAPITAL AND TREASURY SHARES

	Company			
	No. of shares		**Amount**	
	Issued share capital '000	**Treasury shares '000**	**Issued share capital $'000**	**Treasury shares $'000**
At 1 July 2021, 30 June 2022 and 1 July 2022	167,128	(460)	89,566	(126)
Purchase of treasury shares	–	(454)	–	(107)
At 30 June 2023	167,128	(914)	89,566	(233)

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

Treasury shares

Treasury shares are ordinary shares of the Company that are purchased and held by the Company and are presented as a component within shareholders' equity.

During the financial year, the Company acquired 454,400 (2022: Nil) of its ordinary shares by way of on-market purchases.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

22. RESERVES

The reserves of the Group and the Company comprised the following balances:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Capital reserve	(11,648)	(11,648)	–	–
Fair value reserve	(864)	(57)	(864)	107
Foreign currency translation reserve	(1,944)	(460)	–	–
	(14,456)	(12,165)	(864)	107

The capital reserve comprised goodwill arising on acquisition of subsidiaries written off against shareholders' equity.

The fair value reserve comprised the cumulative net change in the fair value of equity investments designated at FVOCI until the assets are derecognised.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables (current)				
Third parties	6,809	5,322	–	–
Sales tax payables	202	162	19	31
Total trade payables	7,011	5,484	19	31
Other payables (current)				
Third parties	259	233	43	20
Accrued operating expenses	6,017	5,640	1,132	1,435
Contract liabilities	2,937	6,753	–	–
Total other payables	9,213	12,626	1,175	1,455
Total trade and other payables	16,224	18,110	1,194	1,486
Add: Amounts due to related parties (Note 19)	1,739	1,539	1,159	1,191
Add: Lease liabilities (Note 12(b))	932	1,005	–	–
Less: Contract liabilities (Note 4)	(2,937)	(6,753)	–	–
Less: Sales tax payables	(202)	(162)	(19)	(31)
Total financial liabilities carried at amortised cost	15,756	13,739	2,334	2,646

Trade and other payables are unsecured, non-interest bearing and are normally settled on 30 to 120 days' terms.

Contract liabilities primarily relate to advance consideration received from customers.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

24. PROVISIONS

Group	Restoration costs $'000	Onerous contracts $'000	Others $'000	Total $'000
At 1 July 2021	179	–	35	214
Provisions made	–	81	–	81
At 30 June 2022 and 1 July 2022	179	81	35	295
Provisions made	–	236	–	236
Provisions utilised	–	(40)	–	(40)
Exchange differences	(2)	–	–	(2)
At 30 June 2023	177	277	35	489

	Group 2023 $'000	Group 2022 $'000
Represented by:		
Current	315	119
Non-current	174	176
	489	295

Restoration costs

The provision relates to the Group's obligations to restore the office premises and warehouse to their original state and condition. A provision for restoration cost is recognised when an obligation to restore site conditions arises on the initial recognition of the asset. The provision is based on the present value of the best estimate of the expenditure required to settle the obligation at the reporting date. The restoration costs are expected to be incurred at the end of the respective lease periods of the office premises and warehouse.

Onerous contracts

The provision is arrived at after taking into account estimated selling prices and estimated total cost. Estimated selling prices are based on customers' purchase orders and estimated total cost includes contract costs incurred to date plus the estimated costs to complete.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

25. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	Group	
	2023 **$'000**	**2022** **$'000**
Sales and service fees received/receivable from:		
– joint venture	25	25
– related parties	–	34
Purchases and service fees paid/payable to:		
– related parties	(249)	(2)
Lease paid/payable to:		
– related party	(29)	–
Consultancy fee paid/payable to a director of the Company	(96)	(93)

Related parties comprise companies which are controlled by the Company's controlling shareholder.

Compensation of key management personnel

Key management personnel compensation (including executive director's remuneration) comprised:

	Group	
	2023 **$'000**	**2022** **$'000**
Directors' fees	327	250
Salaries and other short-term employee benefits	2,481	2,301
Defined contribution plans	81	66
	2,889	2,617

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

26. COMMITMENTS

Corporate guarantees

At the reporting date, the Company had provided corporate guarantees amounting to $14,073,000 (2022: $15,867,000) to banks for banking facilities made available to certain subsidiaries and a joint venture, of which there was no utilisation as at 30 June 2023 and 30 June 2022.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and market price risk. The management reviews and agrees on the policies and procedures for managing these risks.

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

There has been no change to the Group's and the Company's exposures to these financial risks or the manner in which such risks are managed and measured.

(a) Credit risk

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

Management had evaluated the credit standing of customers with significant outstanding balances with the Group at the reporting date. As the majority of them are multinational corporations, management had reasonable grounds to believe that the Group was not exposed to significant credit risk at the reporting date. Credit risk arising from sales is evaluated on an on-going basis. The receivables are also monitored continually and hence, the Group does not expect to incur material credit losses.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments or is in significant financial difficulties. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information on amounts arising from expected credit losses for trade and other receivables (excluding sales tax receivables, tax recoverables and prepayments).

Trade and other receivables

The Group uses a provision matrix to measure the ECLs of trade and other receivables. The provision matrix is based on actual credit loss experience over the past 3 years and adjusted based on the Group's review of the conditions of the debtors and the economic conditions over the expected lives of the receivables, only if these factors have a significant impact on the credit loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

Trade and other receivables (Cont'd)

Summarised below is the information on the credit risk exposures of the Group's and Company's trade and other receivables (excluding sales tax receivables, tax recoverables and prepayments) using a provision matrix:

Group	Not past due $'000	Past due 1 – 30 days $'000	Past due 31 – 120 days $'000	Past due 121 – 365 days $'000	More than one year $'000	Total $'000
2023						
Gross carrying amount	10,033	1,753	441	163	805	13,195
Allowance for ECLs	–	–	–	–	(271)	(271)
Total	10,033	1,753	441	163	534	12,924

Group	Not past due $'000	Past due 1 – 30 days $'000	Past due 31 – 120 days $'000	Past due 121 – 365 days $'000	More than one year $'000	Total $'000
2022						
Gross carrying amount	9,108	1,189	670	421	629	12,017
Allowance for ECLs	–	–	–	–	(238)	(238)
Total	9,108	1,189	670	421	391	11,779

Company	Not past due $'000	Past due 1 – 30 days $'000	Past due 31 – 120 days $'000	Past due 121 – 365 days $'000	More than one year $'000	Total $'000
2023						
Gross carrying amount	91	–	–	–	–	91
Allowance for ECLs	–	–	–	–	–	–
Total	91	–	–	–	–	91

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

Trade and other receivables (Cont'd)

Company	Not past due $'000	Past due 1 – 30 days $'000	Past due 31 – 120 days $'000	Past due 121 – 365 days $'000	More than one year $'000	Total $'000
2022						
Gross carrying amount	16	–	–	–	–	16
Allowance for ECLs	–	–	–	–	–	–
Total	16	–	–	–	–	16

Information on loss allowance movements of trade and other receivables is disclosed in Note 17 to the financial statements.

Credit risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

The Group's concentration of credit risk relating to trade and other receivables is limited due to its varied customer base. The Group's customers are globally dispersed, engaged in a wide spectrum of activities, and they transact in various end markets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

At the reporting date, the Group had unutilised credit facilities of $9,905,000 (2022: $11,603,000).

<u>Analysis of financial instruments by remaining contractual maturities</u>

All the Group's and the Company's current financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on the contractual repayment obligations have maturity profile of one year or less (2022: one year or less). The Group and the Company also have non-current financial assets that have maturity profile of more than one year but within five years (2022: more than one year but within five years).

(c) Foreign currency risk

The Group is exposed to currency risk on financial assets and financial liabilities denominated in foreign currencies. It also incurs currency risk on sales and purchases that are denominated in foreign currencies. The currencies giving rise to this risk are mainly US dollar, Singapore dollar and Chinese renminbi.

The Group primarily relies on natural hedging between its sales and purchases, and trade receivables and trade payables. Should the need arise, the Group hedges any further foreign currency exposure through close monitoring by management.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Foreign currency risk (Cont'd)

Other than as disclosed elsewhere in the financial statements, the Group's and the Company's exposures to currency risk (before inter-company eliminations) were as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
– US dollar	1,619	1,766	–	–
Trade and other receivables				
– US dollar	6,100	6,397	–	–
Amounts due from related parties				
– US dollar	3,816	4,146	1,524	1,915
– Singapore dollar	3	–	–	–
	3,819	4,146	1,524	1,915
Cash and cash equivalents				
– US dollar	5,875	5,372	359	507
Trade and other payables				
– US dollar	(5,709)	(7,617)	–	–
– Singapore dollar	(317)	(319)	–	–
	(6,026)	(7,936)	–	–
Amounts due to related parties				
– US dollar	(3,695)	(4,022)	(1,159)	(1,191)
– Chinese renminbi	(3,098)	(3,430)	–	–
– Singapore dollar	(1,300)	(1,144)	–	–
	(8,093)	(8,596)	(1,159)	(1,191)
Net exposure	3,294	1,149	724	1,231

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

A 1% (2022: 1%) strengthening of the above currencies against the functional currencies of the respective subsidiaries of the Group and the Company at the reporting date would increase (2022: increase) profit before tax by the amounts shown below. This analysis assumes all other variables remain constant.

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
US dollar	80	60	7	12
Singapore dollar	(16)	(15)	–	–
Chinese renminbi	(31)	(34)	–	–

A 1% (2022: 1%) weakening of the above currencies against the functional currencies of the respective subsidiaries of the Group and the Company at the reporting date would have had the equal but opposite effect on the profit before tax, on the basis that all other variables remain constant.

(d) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to market price risk arising from its investments in equity securities and debt securities. The market values of these securities are subject to fluctuations due to volatility of the equity markets.

The primary goal of the Group's investment strategy is to maximise investment returns so as to improve its overall return in general. The Group mitigates this risk through careful selection of its investment portfolio.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Market price risk (Cont'd)

Sensitivity analysis for market price risk

If prices for equity securities and debt securities increased by 10% (2022: 10%) with all other variables held constant, the increase in equity would be:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Equity	1,117	1,290	814	970

A 10% (2022: 10%) decrease in the prices of the underlying equity securities and debt securities would have had the equal but opposite effect on equity, on the basis that all other variables remain constant.

28. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfer between Level 1 and Level 2 and no transfer into or out of Level 3 during the financial years ended 30 June 2023 and 30 June 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) Assets and liabilities measured at fair value

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2023				
Financial assets				
Investments at FVOCI	8,143	–	–	8,143
Investments at FVPL	1,414	–	1,619	3,033
Non-financial assets				
Investment property	–	–	23,855	23,855
	9,557	–	25,474	35,031
2022				
Financial assets				
Investments at FVOCI	9,704	–	–	9,704
Investments at FVPL	1,426	–	1,766	3,192
Non-financial assets				
Investment property	–	–	24,202	24,202
	11,130	–	25,968	37,098
Company				
2023				
Financial assets				
Investments at FVOCI	8,143	–	–	8,143
2022				
Financial assets				
Investments at FVOCI	9,704	–	–	9,704

The fair values of investments at FVOCI and FVPL categorised under Level 1 of the fair value hierarchy were based on respective last quoted market prices at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) Level 3 fair value measurements

The following table presents the valuation techniques and key inputs used to determine the fair values of investments at FVPL and investment property categorised under Level 3 of the fair value hierarchy.

Description	Fair value at 30 June 2023 $'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investments – Debt security (unquoted)	1,619	Quoted market prices, valuations or quotes adjusted to reflect market spreads or modelled prices	Adjustments to quotes	Not applicable	Not applicable
Investment property	23,855	Market approach with percentage/ plus and minus method	Price of comparable properties	Indonesian Rupiah 300,000 per sqm – Indonesian Rupiah 375,000 per sqm	The higher the price of comparable properties, the higher the fair value

Description	Fair value at 30 June 2022 $'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investments – Debt security (unquoted)	1,766	Quoted market prices, valuations or quotes adjusted to reflect market spreads or modelled prices	Adjustments to quotes	Not applicable	Not applicable
Investment property	24,202	Market approach with percentage/ plus and minus method	Price of comparable properties	Indonesian Rupiah 350,000 per sqm – Indonesian Rupiah 375,000 per sqm	The higher the price of comparable properties, the higher the fair value

The fair value of investments categorised under Level 3 of the fair value hierarchy is generally sensitive to the unobservable inputs set out above.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade and other receivables, amounts due from/(to) related parties, cash and cash equivalents and trade and other payables

The carrying amounts of financial assets and liabilities with maturity of less than one year were assumed to approximate their fair values because of the short period to maturity or that they were repriced frequently.

Loans due from subsidiaries

The carrying amounts of financial assets with maturity of more than one year were assumed to approximate their fair values as they are subject to interest rates approximating market rates of interest for similar arrangements with financial institutions.

29. OPERATING SEGMENTS

The Group determines its operating segments based on internal reports of the components of the Group that are regularly reviewed by the Group's Chief Executive Officer (the chief operating decision maker) for performance assessment and to determine resources allocation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

29. OPERATING SEGMENTS (CONT'D)

The following summary describes the operations of each of the Group's reportable segments:

Distribution and Services Solutions	:	Provision of solutions for in-circuit and functional testing, distribution and trading of scientific instruments and electronic equipment, provision of related technical services and support, and trading of consumable products.
Automated Precision System Solutions	:	Provision of customised systems and solutions for test automation, high precision automated assembly process for fibre and lens, and full automated wafer level testing.
Property Investment and Development	:	Holding and/or development of properties for investment purposes to derive gains from capital appreciation and/or generate returns from operation or sale.
Egg Production and Distribution	:	Production and distribution of fresh eggs. The development of the egg farm is at its planning stage.

Information regarding the results of each reportable segment is set out below. Segment results are used to measure performance as management believes that such information is the most relevant in evaluating the performance of the segments relative to other entities that operate within these industries. Inter-segment pricing is determined on mutually agreed terms.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

29. OPERATING SEGMENTS (CONT'D)

Reportable segments

Group	Distribution and Services Solutions		Automated Precision System Solutions		Property Investment and Development		Egg Production and Distribution		Eliminations		Consolidated	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Revenue and expenses												
Total revenue from external customers	56,095	52,036	3,048	3,535	–	–	–	–	–	–	59,143	55,571
Inter-segment revenue	28	28	1,907	1,030	–	–	–	–	(1,935)	(1,058)	–	–
	56,123	52,064	4,955	4,565	–	–	–	–	(1,935)	(1,058)	59,143	55,571
Unallocated corporate revenue											–	24
											59,143	55,595
Segment results	3,226	2,690	(553)	(71)	534	2,232	(1,780)	(183)	–	–	1,427	4,668
Unallocated corporate results											(1,480)	(1,081)
											(53)	3,587
Share of results of joint venture	(47)	110	–	–	–	–	–	–	–	–	(47)	110
(Loss)/Profit before finance income/ (costs) and tax expense											(100)	3,697
Finance income											1,249	130
Finance costs											(34)	(26)
Profit before tax											1,115	3,801
Tax expense											(417)	(614)
Non-controlling interests											1,350	(436)
Profit for the year attributable to owners of the Company											2,048	2,751

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

29. OPERATING SEGMENTS (CONT'D)

Reportable segments (Cont'd)

Group	Distribution and Services Solutions		Automated Precision System Solutions		Property Investment and Development		Egg Production and Distribution		Eliminations		Consolidated	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Assets and liabilities												
Segment assets	44,255	45,543	6,327	7,347	28,747	29,843	22,887	5,765	(551)	(1,008)	101,665	87,490
Investment in joint venture	72	121	–	–	–	–	–	–	–	–	72	121
Tax recoverables	92	119	–	–	–	–	–	–	–	–	92	119
Deferred tax assets	21	13	–	–	–	–	–	–	–	–	21	13
Unallocated corporate and other assets											38,667	56,149
Total assets											140,517	143,892
Segment liabilities	13,960	15,430	2,300	2,797	423	462	2,036	1,754	(551)	(1,004)	18,168	19,439
Income tax payable	659	470	1	6	1	1	–	–	–	–	661	477
Deferred tax liabilities	–	30	142	169	596	605	–	–	–	–	738	804
Unallocated corporate and other liabilities											1,227	1,510
Total liabilities											20,794	22,230
Capital expenditure												
– allocated to reportable segments	29	295	11	174	–	1,484	816	–	–	–	856	1,953
– unallocated corporate and others											33	75
Total capital expenditure											889	2,028

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

29. OPERATING SEGMENTS (CONT'D)

Reportable segments (Cont'd)

Group	Distribution and Services Solutions		Automated Precision System Solutions		Property Investment and Development		Egg Production and Distribution		Eliminations		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Other items												
Amortisation of intangible assets												
– allocated to reportable segments	(29)	(24)	(171)	(174)	–	–	–	–	–	–	(200)	(198)
– unallocated corporate expenses											(20)	–
											(220)	(198)
Dividend income from financial assets												
– allocated to reportable segments	–	–	–	–	241	549	–	–	–	–	241	549
– unallocated corporate income											212	232
											453	781
Depreciation of plant and equipment												
– allocated to reportable segments	(161)	(201)	(53)	(45)	–	–	(20)	–	–	–	(234)	(246)
– unallocated corporate expenses											(220)	(219)
											(454)	(465)
Depreciation of right-of-use assets	(378)	(439)	(124)	(128)	–	–	(282)	–	–	–	(784)	(567)
Fair value gain on investment property	–	–	–	–	430	1,916	–	–	–	–	430	1,916

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

29. OPERATING SEGMENTS (CONT'D)

Reportable segments (Cont'd)

Group	Distribution and Services Solutions		Automated Precision System Solutions		Property Investment and Development		Egg Production and Distribution		Eliminations		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Other items (Cont'd)												
Fair value loss on financial assets at fair value through profit or loss	–	–	–	–	–	–	–	–	–	–	(323)	–
Government grants and subsidies												
– allocated to reportable segments	150	118	42	101	–	–	21	–	–	–	213	219
– unallocated corporate income											9	12
											222	231

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

29. OPERATING SEGMENTS (CONT'D)

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Group	Singapore 2023 $'000	Singapore 2022 $'000	Malaysia 2023 $'000	Malaysia 2022 $'000	China 2023 $'000	China 2022 $'000	Taiwan 2023 $'000	Taiwan 2022 $'000	Indonesia 2023 $'000	Indonesia 2022 $'000	Other regions 2023 $'000	Other regions 2022 $'000	Consolidated 2023 $'000	Consolidated 2022 $'000
Total revenue from external customers	32,867	30,738	5,777	8,003	15,490	12,035	4,185	4,157	–	–	824	662	59,143	55,595
Non-current segment assets	30,795	25,176	87	29	81	85	325	257	–	–	–	–	31,288	25,547
Investment property	–	–	–	–	–	–	–	–	23,855	24,202	–	–	23,855	24,202
Financial assets	11,176	12,896	–	–	–	–	–	–	–	–	–	–	11,176	12,896
Deferred tax assets	10	10	–	–	–	–	11	3	–	–	–	–	21	13
Total non-current assets	41,981	38,082	87	29	81	85	336	260	23,855	24,202	–	–	66,340	62,658
Capital expenditure	881	268	5	3	3	2	–	271	–	1,484	–	–	889	2,028

Information about major customers

Revenue of approximately 31% (2022: 35%) are derived from two (2022: two) major customers. These revenues are attributable to the Distribution and Services Solutions segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

30. CAPITAL MANAGEMENT

Capital comprises all components of equity.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. There were no changes in the approach to capital management during the financial years ended 30 June 2023 and 30 June 2022.

The Group and the Company were not subject to any externally imposed capital requirements for the financial years ended 30 June 2023 and 30 June 2022.

31. DIVIDENDS

	Group and Company	
	2023	**2022**
	$'000	**$'000**
Declared and paid during the financial year:		
Final (tax-exempt one-tier) dividend for 2022:		
1.00 cent (2021: 2.00 cents) per share	1,666	3,333
Proposed but not recognised as a liability as at 30 June:		
Final (tax-exempt one-tier) dividend for 2023:		
1.00 cent (2022: 1.00 cent) per share	1,662	1,666

32. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Directors on 18 September 2023.

STATISTICS OF SHAREHOLDINGS

AS AT 26 SEPTEMBER 2023

Number of shares (including treasury shares and subsidiary holdings)	:	167,128,185			
Number of shares (excluding treasury shares and subsidiary holdings)	:	166,213,885			
Class of shares	:	Ordinary shares	Voting rights	:	1 vote per share
Number/percentage of treasury shares	:	914,300 (0.55%[(1)])			
Number of subsidiary holdings	:	Nil			

The Company cannot exercise any voting rights in respect of treasury shares.

Distribution of Shareholdings

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%[(1)]
1 to 99	35	1.66	1,314	0.00
100 to 1,000	471	22.33	242,342	0.15
1,001 to 10,000	905	42.91	4,393,013	2.64
10,001 to 1,000,000	692	32.81	45,280,387	27.24
1,000,001 and above	6	0.29	116,296,829	69.97
Total	**2,109**	**100.00**	**166,213,885**	**100.00**

Based on information available to the Company as at 26 September 2023, approximately 39.54% of the issued shares of the Company (excluding treasury shares) is held by the public and Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited is complied with.

Twenty Largest Shareholders

No.	Name of Shareholders	Number of Shares	%[(1)]
1	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	99,675,700	59.97
2	DBS NOMINEES (PRIVATE) LIMITED	10,728,983	6.46
3	LEAP INTERNATIONAL PTE LTD	2,148,400	1.29
4	BEVRIAN PTE LTD	1,461,746	0.88
5	LEE LENG GHEE WILLIE	1,150,000	0.69
6	QUEK CHIN CHOO	1,132,000	0.68
7	IWAN RUSLI @ LIE TJIN VAN	950,000	0.57
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	862,122	0.52
9	RAFFLES NOMINEES (PTE) LIMITED	846,860	0.51
10	PHILLIP SECURITIES PTE LTD	816,710	0.49
11	TAY BOON HUAT	804,900	0.48
12	HONG LEONG FINANCE NOMINEES PTE LTD	716,700	0.43
13	NG THIAM SENG @ EUGENE NG	680,000	0.41
14	CHIA CHOI CHUN	650,000	0.39
15	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	626,600	0.38
16	MAYBANK SECURITIES PTE LTD	618,305	0.37
17	NG TIE JIN (HUANG ZHIREN)	615,000	0.37
18	LIM & TAN SECURITIES PTE LTD	572,500	0.35
19	CITIBANK NOMINEES SINGAPORE PTE LTD	506,800	0.31
20	SNG CHING NGEE	455,000	0.27
	Total	**126,018,326**	**75.82**

STATISTICS OF SHAREHOLDINGS

AS AT 26 SEPTEMBER 2023

Substantial Shareholders

Name of Substantial Shareholders	Direct Interest No. of Shares	%[1]	Deemed Interest No. of Shares	%[1]	Total Interest No. of Shares	%[1]
Bevrian Pte Ltd[2]	1,461,746	0.88	99,000,000	59.56	100,461,746	60.44
David Lum Kok Seng[3]	–	–	100,461,746	60.44	100,461,746	60.44

(1) Percentage is calculated based on 166,213,885 shares, excluding treasury shares.
(2) Bevrian Pte Ltd's deemed interest in the shares is held though a nominee account.
(3) Mr David Lum Kok Seng is deemed interested in all the shares held by Bevrian Pte Ltd.

NOTICE OF ANNUAL GENERAL MEETING

ELLIPSIZ LTD

(Company Registration No.: 199408329R)
(Incorporated in the Republic of Singapore)
(the "**Company**")

NOTICE IS HEREBY GIVEN that the 28th Annual General Meeting of the Company will be convened and held at 1 Orchid Club Road, Orchid Country Club, Emerald Suite, Singapore 769162 on Tuesday, 24 October 2023 at 3.00 p.m. to transact the following businesses:

Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2023 and the Auditor's Report thereon.
(Resolution 1)

2. To re-elect the following Directors of the Company who retire by rotation pursuant to Article 101 of the Company's Constitution and who, being eligible, offer themselves for re-election:

    (a) Ms Iris Wu Hwee Tan **(Resolution 2)**

    (b) Mr Adrian Lum Wen-Hong **(Resolution 3)**

    (See Explanatory Note 1)

3. To declare a final tax-exempt (one-tier) dividend of 1.00 cent per ordinary share as recommended by the Directors for the financial year ended 30 June 2023.
(Resolution 4)

4. To approve the payment of Directors' fees of $297,000 for the financial year ending 30 June 2024, to be paid quarterly in arrears (2023: $297,000).
(Resolution 5)

    (See Explanatory Note 2)

5. To re-appoint Ernst & Young LLP as the Auditor of the Company and to authorise the Directors to fix their remuneration.
(Resolution 6)

NOTICE OF ANNUAL GENERAL MEETING

Special Business

To consider and, if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolutions:

6. That authority be and is hereby given to the Directors to:

(a) (i) allot and issue shares in the Company (the "**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, the "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

Provided 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) does not exceed 50% of the total number of issued shares, excluding treasury shares and subsidiary holdings (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 members of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (II) below);

NOTICE OF ANNUAL GENERAL MEETING

(II) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (I) above, the percentage of issued shares shall be based on the Company's total number of issued shares, excluding treasury shares and subsidiary holdings, at the time this Resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of shares;

(III) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(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 Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 7)

(See Explanatory Note 3)

7. That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the "**Companies Act**"), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (the "**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) on-market purchase(s) (each an "**On-Market Share Purchase**") on the SGX-ST; and/or

(ii) off-market purchase(s) (each an "**Off-Market Share Purchase**") effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

NOTICE OF ANNUAL GENERAL MEETING

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held; or

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or

(iii) the date on which purchases of Shares by the Company pursuant to the Share Purchase Mandate is carried out to the full extent mandated;

(c) in this Resolution:

"**Prescribed Limit**" means 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the passing of this Resolution; and

"**Maximum Price**", in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price (as defined below); and

(ii) in the case of an Off-Market Share Purchase, 110% of the Average Closing Price, where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last 5 Market Days ("**Market Day**" being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, before the day on which the On-Market Share Purchase was made (and deemed to be adjusted for any corporate action that occurs during the relevant 5 Market Days and the day on which the On-Market Share Purchase was made) or, as the case may be, before the date of making an announcement by the Company of an offer for an Off-Market Share Purchase; and

NOTICE OF ANNUAL GENERAL MEETING

(d) the Directors and/or each of them be and are/is hereby authorised to complete and do all such acts and things as they and/or he or she may consider necessary, desirable, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

(Resolution 8)

(See Explanatory Note 4)

Notice of Record Date

NOTICE IS ALSO HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on 6 November 2023 for the purpose of determining shareholders' entitlements to a proposed final tax-exempt (one-tier) dividend of 1.00 cent per ordinary share for the financial year ended 30 June 2023 ("**FY2023 Final Dividend**").

Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902 up to 5.00 p.m. on 6 November 2023 will be registered to determine shareholders' entitlements to the FY2023 Final Dividend.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares of the Company as at 5.00 p.m. on 6 November 2023 will be entitled to the FY2023 Final Dividend.

The FY2023 Final Dividend, if approved by the shareholders at the 28th Annual General Meeting of the Company, will be paid on 21 November 2023.

By Order of the Board

CHOW CHING SIAN
Company Secretary
Singapore, 9 October 2023

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. **Ordinary Resolutions 2 and 3**: Detailed information of these Directors can be found under "*Board of Directors*", "*Additional Information on Directors Seeking Re-election*" and "*Corporate Governance*" sections in the Company's Annual Report 2023.

   Ms Iris Wu Hwee Tan will, upon re-election, continue to serve as a member of the Audit and Risk Committee.

2. **Ordinary Resolution 5**: The Company proposes to pay Directors' fees for the financial year ending 30 June 2024 quarterly in arrears after the Annual General Meeting of the Company is held, instead of at the end of the aforesaid financial year. Information on Directors' fees can be found under the "*Corporate Governance*" section in the Company's Annual Report 2023.

3. **Ordinary Resolution 7**: Ordinary Resolution 7, if passed, will authorise the Directors, from the date of this Annual General Meeting until the next Annual General Meeting of the Company, to issue shares, make or grant Instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such Instruments, up to an amount not exceeding 50% of the total number of issued shares, excluding treasury shares and subsidiary holdings, with a sub-limit of 20% for issues other than on a *pro rata* basis to members of the Company. For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares, excluding treasury shares and subsidiary holdings, will be calculated based on the Company's total number of issued shares, excluding treasury shares and subsidiary holdings, at the time that this Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

4. **Ordinary Resolution 8**: Ordinary Resolution 8, if passed, will empower the Directors to purchase, on behalf of the Company, ordinary shares in the capital of the Company in accordance with the terms set out in the Appendix to this Notice of Annual General Meeting as well as the rules and regulations set out in the Companies Act and the Listing Manual of the SGX-ST. Please refer to the Appendix to this Notice of Annual General Meeting for details.

Notes:

1. Printed copies of this Notice of Annual General Meeting ("**AGM**"), Proxy Form and the Request Form (to request for a printed copy of the Company's Annual Report 2023) will be sent by post to members. These documents will also be published on the Company's corporate website at https://www.ellipsiz.com/investor-relations/annual-reports/ and the SGXNet.

2. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where a member appoints two proxies, he or she shall specify the proportion of the shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no proportion is specified, the first named proxy shall be deemed to represent 100% of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.

NOTICE OF ANNUAL GENERAL MEETING

(b) A member of the Company which is a corporation is entitled to appoint its authorised representative(s) or proxy(ies) to vote on its behalf. The Proxy Form appointing the representative(s) or proxy(ies) must be executed under its common seal or executed as a deed in accordance with the Companies Act or signed on its behalf by its attorney or officer duly authorised.

(c) 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 two or more proxies, the number and class of Shares 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.

3. A proxy need not be a member of the Company.

4. The Proxy Form must be submitted to the Company in the following manner:

(a) if sent by post, it has to be deposited at the registered office of the Company at 54 Serangoon North Avenue 4 #05-02 Singapore 555854; or

(b) if sent electronically, it has to be submitted via email to the Company at agm@ellipsiz.com,

in either case, not less than 72 hours before the time fixed for the AGM.

A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above or before scanning and sending it by email to the email address provided above.

Members are strongly encouraged to submit completed and signed Proxy Forms electronically via email.

5. Shareholders can submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM, in the following manner:

(a) via email to the Company at agm@ellipsiz.com; or

(b) via post to the Company at 54 Serangoon North Avenue 4 #05-02 Singapore 555854,

in either case, by **3.00 p.m on Tuesday, 17 October 2023**.

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

(i) full name (for individuals) / company name (for corporates);

(ii) NRIC number/Passport number (for individuals) / company registration number (for corporates);

NOTICE OF ANNUAL GENERAL MEETING

(iii) the number of Shares held; and

(iv) the manner in which you hold Shares (e.g. via CDP, CPF or SRS).

The Company will endeavour to address all substantial and relevant questions submitted in advance of the AGM, either prior to or during the AGM. As there may not be sufficient time to address all questions during the AGM, the Company will publish the responses to the substantial and relevant questions which the Company will not be addressing during the AGM, on SGXNet and the Company's corporate website prior to the AGM. The Company will publish the minutes of the AGM on SGXNet and the Company's corporate website, and the minutes will include the responses to the substantial and relevant questions which are addressed during the AGM.

6. All references to dates and times in this Notice of AGM are to Singapore dates and times.

7. The Company's Annual Report 2023 may be accessed at the Company's corporate website at https://www.ellipsiz.com/investor-relations/annual-reports/ and the SGXNet. Members may request for a printed copy of the Company's Annual Report 2023 by completing and submitting the Request Form (sent to them by post together with printed copies of this Notice of AGM and the accompanying Proxy Form) no later than 16 October 2023.

Personal Data Privacy

By submitting the Proxy Form 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 (and/or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (and/or its agents or service providers) of 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 (and/or its agents or service providers) to comply with the applicable laws, listing rules, take-over 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 (and/or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (and/or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following information relating to Ms Iris Wu Hwee Tan and Mr Adrian Lum Wen-Hong, each of whom is standing for re-election as a Director at the Annual General Meeting of the Company on 24 October 2023 ("**2023 AGM**"), is provided pursuant to Rule 720(6) of the listing manual of the Singapore Exchange Securities Trading Limited.

Name of Director	**Iris Wu Hwee Tan**	**Adrian Lum Wen-Hong**
Date of Appointment	8 January 2018	8 January 2018
Date of last re-appointment (if applicable)	27 October 2020	27 October 2020
Age	66	47
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Upon review of the skills and experience of Ms Iris Wu Hwee Tan and Mr Adrian Lum Wen-Hong as well as their performance and contributions to the effectiveness of the Board, the Nominating Committee had recommended, and the Board of Directors had approved the recommendation, for each of them to be re-elected at the 2023 AGM.	
Whether appointment is executive, and if so, the area of responsibility	The appointment is non-executive.	The appointment is non-executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	1. Non-Independent Non-Executive Director 2. Member of Audit and Risk Committee	Non-Independent Non-Executive Director
Professional qualifications	1. Bachelor of Commerce (Accountancy), Nanyang University 2. Chartered Accountant of Singapore 3. Member of the Institute of Singapore Chartered Accountants	Master's Degree in Engineering, The Imperial College, United Kingdom

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Iris Wu Hwee Tan	Adrian Lum Wen-Hong
Working experience and occupation(s) during the past 10 years	1. February 2018 to present Consultant, Ellipsiz Ltd 2. July 2012 to April 2015 Executive Director and Company Secretary, LCD Global Investments Ltd (now known as AF Global Limited)	1. September 2015 to present Director, Property Development, Lum Chang Holdings Limited 2. August 2010 to September 2015 Director, Business Development, Lum Chang Holdings Limited
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Ms Iris Wu Hwee Tan is engaged by the Company as a consultant providing consultancy services on corporate matters.	1. Son of Mr David Lum Kok Seng, the legal and beneficial owner of Bevrian Pte Ltd, a substantial shareholder of the Company. 2. Brother of Mr Kelvin Lum Wen-Sum, the Chief Executive Officer and an Executive Director of the Company.
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	**Iris Wu Hwee Tan**	**Adrian Lum Wen-Hong**
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	Past Directorship(s): 1. iNETest Malaysia Sdn Bhd 2. Kalms Investment Pte Ltd	Past Directorship(s): 1. Ellipsiz DSS Pte Ltd 2. iNETest Resources Pte Ltd 3. Ellipsiz iNETest Co Ltd 4. Ellipsiz Taiwan Inc 5. iNETest Malaysia Sdn Bhd 6. Uptown Viewpoint Sdn Bhd 7. Urban Assignment Sdn Bhd 8. Kelaty Holdings Limited 9. Daehan Rehabilitation Services Sdn Bhd 10. Xin Tekka Pte Ltd 11. Lum Chang Development Services Limited
Present	Present Directorship(s): 1. EIR Investments Pte Ltd 2. Ellipsiz DSS Pte Ltd 3. iNETest Resources Pte Ltd 4. ISE Capital Management Pte Ltd	Present Directorship(s): 1. Lum Chang Holdings Limited 2. Lum Chang Auriga Pte Ltd 3. Lum Chang Brandsbridge Pte Ltd 4. Lum Chang Interior Pte Ltd 5. Lum Chang Property Investments Pte Ltd 6. Bluesky Real Estate Investment Pte Ltd 7. Kemensah Holdings Pte Ltd 8. Solluna Investments Pte Ltd 9. Sky Real Estate Investment Pte Ltd 10. Tucana Investments Pte Ltd

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Iris Wu Hwee Tan	Adrian Lum Wen-Hong
		11. Wembley Properties Pte Ltd 12. Lum Chang Sdn Bhd 13. Lum Chang Brandsbridge (M) Sdn Bhd 14. Lum Chang Interior (M) Sdn Bhd 15. Fabulous Range Sdn Bhd 16. PJBOX Sdn Bhd 17. Venus Capital Corporation Sdn Bhd 18. CLI CP (Netherlands) Pte Ltd 19. Columba Holdings Pte Ltd 20. Corwin Holding Pte Ltd 21. Dorado Holdings Pte Ltd 22. Dorado Retail Holdco Pte Ltd 23. Dorado Retail Pte Ltd 24. Lum Chang Tien Wah Property Sdn Bhd 25. CLI CP (Netherlands) B. V. 26. Pavo Holdings Pte Ltd 27. Beverian Holdings Pte Ltd 28. Bevrian Pte Ltd 29. LS Investments Pte Ltd 30. Kwong Wai Shiu Hospital 31. Ellipsiz Agro Investments Pte Ltd 32. KWSH Foundation Limited

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Iris Wu Hwee Tan	Adrian Lum Wen-Hong
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	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?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Iris Wu Hwee Tan	Adrian Lum Wen-Hong
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Iris Wu Hwee Tan	Adrian Lum Wen-Hong
(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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Iris Wu Hwee Tan	Adrian Lum Wen-Hong
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Iris Wu Hwee Tan	Adrian Lum Wen-Hong
(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?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	**Iris Wu Hwee Tan**	**Adrian Lum Wen-Hong**
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable	Not applicable
If yes, please provide details of prior experience.		
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.		
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).		

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ELLIPSIZ LTD
(Company Registration No. 199408329R)
(Incorporated in the Republic of Singapore)

IMPORTANT
1. For CPF/SRS investors who have used their CPF/SRS monies to buy the Company's shares ("**Shares**"), this Proxy Form is not valid for use and shall be ineffective for all purposes if used or purported to be used by them. CPF/SRS investors should contact their respective agent banks if they have any queries regarding their appointment as proxy(ies).
2. By submitting this Proxy Form appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 October 2023.

PROXY FORM
28TH ANNUAL GENERAL MEETING

I/We ______________________________ (*Name*),

NRIC/Passport No./Company Registration No. ______________________________ of

______________________________ (*Address*)

being a member/members of Ellipsiz Ltd (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 him/her/them, the Chairman of the Annual General Meeting of the Company ("**AGM**"), as my/our proxy/proxies to attend, speak and vote on my/our behalf at the AGM to be held at 1 Orchid Club Road, Orchid Country Club, Emerald Suite, Singapore 769162 on Tuesday, 24 October 2023 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against, or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote for or against, or abstain from voting, at his/her/their discretion, as he/she/they may on any other matter arising at the AGM and at any adjournment thereof.

No.	**Ordinary Resolutions**	**No. of Votes For***	**No. of Votes Against***	**No. of Votes Abstain***
Ordinary Business				
1.	Adoption of the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2023 and the Auditor's Report thereon.			
2.	Re-election of Ms Iris Wu Hwee Tan as a Director.			
3.	Re-election of Mr Adrian Lum Wen-Hong as a Director.			
4.	Declaration of a final tax-exempt (one-tier) dividend of 1.00 cent per ordinary share.			
5.	Approval of Directors' fees of $297,000 for the financial year ending 30 June 2024, to be paid quarterly in arrears.			
6.	Re-appointment of Ernst & Young LLP as Auditor of the Company and authorising the Directors to fix their remuneration.			
Special Business				
7.	Approval of authority to issue new shares.			
8.	Approval of Share Purchase Mandate.			

**Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" or to "Abstain from voting on" the relevant resolution, please tick (✓) in the relevant boxes provided above. Alternatively, if you wish to exercise your votes in a combination of "For", "Against" and "Abstain from voting on" the relevant resolution, please insert the number of votes in the relevant boxes provided above.*

Dated this __________ day of ____________________ 2023.

Total No. of Shares in:	**No. of Shares:**
CDP Register	
Register of Members	

____
Signature(s) of Member(s) or Common Seal of Corporate Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, 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. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by you.

2. (a) A member of the Company 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 appoints two proxies, the member shall specify the proportion of the shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion is specified, the first named proxy shall be deemed to represent 100% of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.

   (b) A member of the Company 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 two or more proxies, the number and class of Shares to which each proxy has been appointed shall be specified in this Proxy Form. In relation to a relevant intermediary who wishes to appoint more than two proxies, please annex, to this Proxy Form, the list(s) of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport number, class of Shares and number of Shares in relation to which the proxy has been appointed.

   "relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967 (the "**Act**").

3. A proxy need not be a member of the Company.

4. This Proxy Form (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be submitted in the following manner:

   (a) if sent by post, it has to be deposited at the registered office of the Company at 54 Serangoon North Avenue 4 #05-02 Singapore 555854; or

   (b) if sent electronically, it has to be submitted via email to the Company at agm@ellipsiz.com,

   in either case, not less than 72 hours before the time fixed for the AGM.

   A member who wishes to submit this Proxy Form must complete and sign this Proxy Form, before submitting it by post to the address provided above or before scanning and sending it by email to the email address provided above.

   Members are strongly encouraged to submit completed and signed Proxy Forms electronically via email.

5. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under this Proxy Form, to the AGM.

6. This Proxy Form must, in the case of an individual, be signed by the appointor or his/her attorney duly authorised in writing. In the case of a corporation, this Proxy Form must be executed under its common seal or executed as a deed in accordance with the Act or signed on its behalf by its attorney or officer duly authorised.

7. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body, such person(s) as it thinks fit to act as its representative(s) at the AGM in accordance with its constitution and Section 179 of the Act.

8. The Company shall be entitled to reject this Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this Proxy Form.

9. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any Proxy Form lodged 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.

10. All references to dates and times in this Proxy Form are to Singapore dates and times.

AGM
Proxy Form

AFFIX
POSTAGE
STAMP

THE COMPANY SECRETARY
ELLIPSIZ LTD

54 Serangoon North Avenue 4
#05-02
Singapore 555854

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ellipsiz
forward solutions

(Reg. No. 199408329R)

54 Serangoon North Avenue 4 #05-02
Singapore 555854
Tel : (65) 6518 2200
Fax : (65) 6269 2638
Email : ir@ellipsiz.com
www.ellipsiz.com