



**Staying**  
**Safe and Resilient**  
**in a Connected World**

ANNUAL REPORT 2025

# THE MULTI-CHEM GROUP'S BUSINESS

Multi-Chem has been engaged as a value added supplier to PCB manufacturers for more than three decades.

Multi-Chem, through the M.Tech Group, has been engaged in the distribution of IT products since 2002. The M.Tech Group is a leading regional cyber security and network performance products value added distributor, carrying best-of-breed products from industry leading vendors and with a presence in 24 cities in 13 countries. Today, this is the main business for the Group and contributes more than 99% to the Group's revenue.

Staying

**Safe and Resilient**

in a Connected World

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# DEFINITIONS

In this Annual Report, the following definitions apply throughout where the context so admits:

“Group”	The Company and its subsidiaries
“Multi-Chem” or “Company”	Multi-Chem Limited
“M.Tech”	One or more of the M.Tech / M-Security

## SUBSIDIARIES

“M.SaaS Solutions”	M.SaaS Solutions Pte. Ltd.
“M.SaaS Lanka”	M.SaaS Lanka (Private) Limited
“M.Tech Australia”	M.Tech Products Aust Pty Limited
“M.Tech Holdings”	M.Tech Holdings Pte. Ltd.
“M.Tech Hong Kong”	M.Tech Products (HK) Pte Limited
“M.Tech India”	M.Tech Solutions (India) Private Limited
“M.Tech Indochina”	M-Security Technology Indochina Pte. Ltd.
“M.Tech Indonesia”	PT. M.Tech Products
“M.Tech Japan”	M.Tech Products Japan Kabushiki Kaisha
“M.Tech Korea”	M.Tech Products Korea Limited Liability Company
“M.Tech Malaysia”	M-Security Technology Sdn. Bhd.
“M.Tech New Zealand”	M.Tech Products New Zealand Limited
“M.Tech Philippines”	M.Tech Products Philippines, Inc.
“M.Tech Shanghai”	M.Tech (Shanghai) Co., Ltd.
“M.Tech Singapore”	M.Tech Products Pte Ltd
“M.Tech Taiwan”	M.Tech Products TW Pte. Ltd.
“M.Tech Thailand”	M-Solutions Technology (Thailand) Co., Ltd.
“M.Tech Vietnam”	M-Security Technology Vietnam Company Limited
“M-Security Philippines”	M-Security Tech Philippines Inc.
“SecureOneAsia”	SecureOneAsia Pte. Ltd.
“SecureOne India”	SecureOne India Holding Pte. Ltd.

## OTHER TERMS

“ARMC”	Audit and Risk Management Committee
“Board”	Board of Directors
“CNC”	Computer numeric controlled
“FY”	Financial year
“IT”	Information technology
“M”	Million
“NC”	Nominating Committee
“PAT”	Profit after tax
“PBT”	Profit before tax
“PCB”	Printed circuit board
“RC”	Remuneration Committee
“WAN”	Wide area network

# CORPORATE PROFILE

**Incorporated in 1985, Multi-Chem was listed on SESDAQ in January 2000 and upgraded to the Main Board of The Singapore Exchange in November 2000. In May 2002, we diversified into the business of IT distribution where we focus on best-of-breed cyber security, WAN optimisation and network management products from our original business of distributing specialty chemicals and value added services to the PCB manufacturers.**

In May 2002, we diversified into the business of IT distribution where we focus on best-of-breed cyber security, WAN optimisation and network management products from industry leading vendors. We are a leading cyber security and network performance solutions provider and we selectively partner with market leading vendors who are established in their respective domains. Together, we cover a broad spectrum of today's security and network performance requirements.

Through Multi-Chem's subsidiaries under the M.Tech umbrella, our IT business has expanded in both product range and geographical coverage since inception and now spans Singapore, Australia, Greater China (including Hong Kong and Taiwan), India, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Sri Lanka, Thailand and Vietnam.

We started IT training business in Singapore in late second quarter of 2004 to complement the IT distribution business. We are currently authorised to conduct training through the Education Services Division of M.Tech Products Pte Ltd.

Today, the Group comprises the Company, 21 subsidiaries, 2 representative offices, 6 branches and 4 offices, with a staff strength of over 600.

# CORPORATE DATA

## BOARD OF DIRECTORS

Chong Teck Sin, Chairman

Foo Suan Sai, CEO

Han Juat Hoon, COO

Foo Fang Yong, Executive Director

Chan Wan Hong, Independent Non-Executive Director

Neo Bock Cheng, Independent Non-Executive Director

## COMPANY SECRETARY

Chan Lai Yin

## AUDIT AND RISK MANAGEMENT COMMITTEE

Chong Teck Sin, Chairman

Chan Wan Hong, Member

Neo Bock Cheng, Member

## NOMINATING COMMITTEE

Chan Wan Hong, Chairman

Foo Suan Sai, Member

Chong Teck Sin, Member

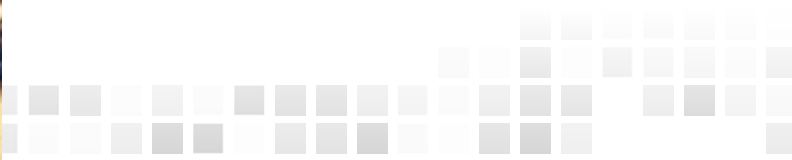
Neo Bock Cheng, Member

## REMUNERATION COMMITTEE

Neo Bock Cheng, Chairman

Chong Teck Sin, Member

Chan Wan Hong, Member



**REGISTERED OFFICE**

18 Boon Lay Way, #05-113,  
Tradehub 21 Singapore 609966  
Tel: (65) 6863 1318  
Fax: (65) 6863 1618

**SHARE REGISTRAR**

Trico Barbinder Share Registration Service  
9 Raffles Place  
#26-01 Republic Plaza  
Singapore 048619

**SHARE LISTING**

The Company's shares are listed on the Main Board of the Singapore Exchange Securities Trading Limited since November 2000

**INDEPENDENT AUDITOR**

BDO LLP  
Public Accountants and  
Chartered Accountants  
600 North Bridge Road  
#23-01 Parkview Square  
Singapore 188778  
Partner-in-charge: Tan Boon Kai  
Appointment since the financial year ended  
31 December 2025

**INTERNAL AUDITOR**

Yang Lee & Associates  
10 Anson Road #31-03  
International Plaza  
Singapore 079903

**PRINCIPAL BANKERS**

Citibank N.A.  
DBS Bank Ltd  
HSBC Limited  
United Overseas Bank Limited

**IR CONTACT**

18 Boon Lay Way, #05-113,  
Tradehub 21 Singapore 609966  
Tel: (65) 6863 1318  
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E-mail: [irmultichem@multichem.com.sg](mailto:irmultichem@multichem.com.sg)

**GENERAL**

For further information about Multi-Chem, please contact the secretariat at the registered office

**E-MAIL:**

[salesmultichem@multichem.com.sg](mailto:salesmultichem@multichem.com.sg)  
[sales@mtechpro.com](mailto:sales@mtechpro.com)

**WEBSITES:**

<http://www.multichem.com.sg>  
<http://www.mtechpro.com>

# BOARD OF DIRECTORS



**CHONG TECK SIN**



**FOO SUAN SAI**



**HAN JUAT HOON**

## CHONG TECK SIN

*Chairman, Independent Non-Executive Director, Chairman of ARMC, Member of NC and RC*

Mr Chong was appointed as a Director in April 2024. He has extensive experience as director of public listed companies in Singapore, particularly in the technology sector. Between 1999 and 2004 he served as Executive Director & Group Managing Director (Commercial) of Seksun Corporation Ltd, which was then listed on the Main Board of the Singapore Exchange (“SGX”). He later held non-executive directorships in several other SGX, Australia Stock Exchange and Hong Kong Stock Exchange listed companies. He was also a board member of the Accounting and Corporate Regulatory Authority (“ACRA”), a statutory board of Singapore’s Ministry of Finance from April 2004 to March 2010. He currently sits on the board of public companies listed on the SGX. He holds a Bachelor of Engineering from the University of Tokyo and a Masters of Business Administration from the National University of Singapore.

## FOO SUAN SAI

*Chief Executive Officer and Member of NC*

Mr Foo was appointed as a Director in September 1988. He is one of the founding shareholders of Multi-Chem and has more than 30 years of experience in the PCB industry, of which the last 37 years were spent building up the Company. Mr Foo is currently responsible for the overall direction and development of the Group. He holds a Diploma in Chemical Process Technology from the Singapore Polytechnic and a Diploma in Management Studies from the Singapore Institute of Management.

## HAN JUAT HOON

*Chief Operating Officer*

Mdm Han was appointed as a Director in May 1987. She is a founding shareholder of Multi-Chem and has commenced working in an executive capacity with the Company in 1992. Mdm Han is well versed in factory operations, having held the appointment of factory manager with a chemical company for 12 years from 1980 to 1992. She is responsible for

**CHAN WAN HONG****NEO BOCK CHENG****FOO FANG YONG**

the overall operations of the Group. Mdm Han holds a Diploma in Chemical Process Technology from the Singapore Polytechnic and a Diploma in Management Studies from the Singapore Institute of Management.

### **FOO FANG YONG**

*Executive Director, General Manager*

Mr Foo was appointed as a Director in May 2015. He joined the Company's subsidiary, M.Tech Products Ptd Ltd in Year 2011 as an I-Security Engineer after completing his Honours Degree in Bachelor of Engineering (Computer Engineering) from National University of Singapore. He subsequently moved to the position of Product Manager in May 2012. At the same time, he attained RSA SecurID Certified Systems Engineer in Year 2011 and Blue Coat Certified ProxySG Professional, Sourcefire Certified Expert (SFCE) v5 and Riverbed Certified Solutions Professional WAN Optimization in Year 2012.

### **CHAN WAN HONG**

*Independent Non-Executive Director, Chairman of NC, Member of ARMC and RC*

Mr Chan was appointed as a Director in April 2024. He is an advocate and solicitor and has been in corporate practice in Singapore since 1999, with extensive experience in mergers and acquisitions, venture capital and private equity, corporate finance and capital markets. He is currently the Senior Director at FC Legal Asia LLC. He holds a Bachelor of Laws from the National University of Singapore.

### **NEO BOCK CHENG**

*Independent Non-Executive Director, Chairman of RC, Member of ARMC and NC*

Mr Neo was appointed as a Director in April 2024. He has over 30 years of corporate & transaction banking experience. He held various leadership roles in OCBC bank, Citibank Bank and JP Morgan Chase. He is currently a Board Director of Swift, a global secure messaging network used by over 11,500 institutions across more than 200 countries & territories. He holds a Bachelor of Engineering (Civil Engineering) from the National University of Singapore.

# MANAGEMENT TEAM



**KOH HENRY**

## **KOH HENRY**

*Director - Business Operations*

Mr Koh holds a Bachelor's degree in Mechanical & Production Engineering from the Nanyang Technological University. He joined the Company as a Service Engineer in May 2000 after completing his university education. He was promoted from QA & Process Manager to Senior Manager (Operations) in November 2005, overseeing the operation in the Manufacturing Services Division, which include quality assurance and production. He is currently involved in the business development for various countries within IT business.



**SIM YEOW  
LIANG**

## **SIM YEOW LIANG**

*Regional Product Director and Deputy Country Director, Singapore*

Mr Sim joined the Company's subsidiary, M.Tech Products Pte Ltd in September 2013 as a Regional Product Manager (Check Point). He was promoted to Regional Product Director, Check Point and Tufin in October 2019, Regional Product Director and Director of Channel Sales, Singapore in October 2024 and subsequently Regional Product Director and Deputy Country Director, Singapore, a position he currently holds. He is responsible for managing and driving the success of IT products across South East Asia and IT business development in Singapore.



**PUI BOON  
TIONG  
EUGENE**

## **PUI BOON TIONG EUGENE**

*Regional Director*

Mr Pui worked as an engineer with local PCB manufacturers, Motorola Electronics Pte Ltd and WUS Printed Circuits Pte Ltd prior to joining the Company in December 1999. He worked his way up in Multi-Chem from Assistant Production Manager to Operations Manager before being named Regional Director. He currently oversees business development for various countries within IT business.



**ZHANG  
XIAOWEN  
AMANDA**

## **ZHANG XIAOWEN AMANDA**

*Financial Controller*

Ms Zhang has been with the Company since July 2013, where she joined as an Assistant Finance Manager and was promoted to Senior Regional Finance Manager and subsequently Financial Controller, a position she currently holds. She is in-charge of the Group's financial reporting, finance and tax functions and works closely with internal and external auditors, tax agent and the bankers in performing her role.

# LETTER TO SHAREHOLDERS

## Dear Shareholders,

While the global landscape in 2025 was defined by geopolitical volatility and economic shifts, it also reinforced a fundamental truth: Cybersecurity is no longer optional. As threat actors grow more organized and sophisticated, the mandate for robust digital defense has never been higher. At the Group, we spent the past year navigating these headwinds while sharpening our focus on our core mission: providing the world-class infrastructure that keeps businesses secure.

## The Group's Financial Performance

With the geo-political conflicts and uncertainties arising from the tariffs imposed by the US, the Group recorded revenue of \$653.9M in 2025, which was 4.4% less than \$683.7M achieved in 2024. The decrease in Group's revenue for the year was mainly due to lower sales volume during 2025 and the depreciation of United States dollar ("USD") against Singapore dollar ("SGD") which impacted on USD-denominated transactions in 2025.

Revenue from the PCB business accounted for less than 1% of Group's revenue in 2025. The PCB business decreased by 75.0% or \$1.2m, from \$1.6m in 2024 to \$425,000 in 2025, primarily due to closure of the factory in year 2025 and disposal of 7 mechanical drilling machines in Singapore in 2024.

**CHONG TECK SIN**  
Group Chairman



Comparing revenue by geographical segments, 44% of the Group's revenue in 2025 was derived from Singapore which remained the same as compared to 2024. Of the remaining 56%, our footprints in South East Asia, Greater China, India, Australia and New Zealand position us to capture the next wave of digitalization in the Asia Pacific.

The Group recorded a profit before tax of \$33.0M in 2025 as compared to \$38.8M in 2024, a decrease of 14.9%. On an after-tax basis, the Group recorded a profit of \$26.4M in 2025 as compared to \$30.8M in 2024. On a weighted average basis, the Group's earnings per share decreased from 34.21 cents in 2024 to 29.35 cents in 2025. The decrease in profit was mainly due to the decrease in gross profit in correspond to the decrease in revenue, higher allowance made for inventory obsolescence and the increase in finance costs, offset by the increase in interest income, the decrease in profit share and lower loss allowance on third party trade receivables.

## Financial Position

As of 31 December 2025, the net working capital of the Group stood at \$132.8M, compared to \$134.7M as at 31 December 2024. This included cash and bank balances of \$99.5M. Shareholders' funds and net asset value per share stood at approximately \$152.2M and 168.98 cents respectively as at 31 December 2025.

**The Directors are pleased to recommend a final tax exempt (one-tier) dividend of 20.00 cents (Singapore) per ordinary share for 2025.**

## Business Outlook

The IT business was the Group's main business in 2025, accounting for more than 99% of the Group's revenue. This business commenced in 2002 and is marketed under the M.Tech brand. We expect the IT business to remain the Group's main business in the foreseeable future as corporations and policy makers increasingly recognize the need to strengthen their cybersecurity infrastructure. We are optimistic that this will augur well for the Group, given our wide geographical coverage and strategy of promoting cutting edge IT products.

The Group will continue to focus on growing the IT business. Economic and political conditions are still key factors in determining the level of IT spending. The Group will continue to focus on the distribution of only the top names in IT security products, and will continue to look for suitable products to add to its range.

While Cybersecurity remains the core of M.Tech expertise, the Group also offers a comprehensive suite of Network Performance solutions, including best-of-breed SD-WAN and Network Management technologies designed to optimize digital infrastructure. It will continue to rationalize and be selective of its existing IT product range. Besides the IT products distributed by the Group, the Group is also authorized to provide certified IT training courses.

The Group has a business presence in 24 cities in 13 countries in Asia Pacific Region. The M.Tech regional offices are expected to contribute positively to the Group's business in 2026.

## Sustainability Matters

We reaffirm our commitment to sustainability with the publication of our sustainability report prepared in accordance with the

Global Reporting Initiative Standards and Singapore Exchange Securities Trading Limited listing rules 711 (A) and 711 (B). As part of our continual efforts to align our sustainability reporting with relevant market standards, we mapped our sustainability efforts in accordance with the 2030 Agenda for Sustainable Development which is 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. Our climate-related disclosures are produced based on the 11 recommendations of Task Force on Climate-related Financial Disclosures (“TCFD”). Following the publication of the International Sustainability Standards Board (“ISSB”) Standards – International Financial Reporting Standards S1 and S2, we conducted a gap analysis against our existing TCFD and are in process of aligning our climate-related disclosures to the ISSB Standards. We will be guided by the phased approach described in Practice Note 7.6 Sustainability Reporting Guide in aligning our climate related disclosures with the ISSB Standards.

This sustainability report provides insights into the way we do business, while highlighting our key sustainability factors under the economic, environmental, social and governance pillars.

The near-term outlook in the IT business is dependent on events that could be political or economic in nature and such events could affect business in certain markets. With the current inflation, interest rates movements, geo-political conflicts and the tariffs imposed by the US, the global economic outlook remains uncertain which in turn will affect the Group’s business. However, IT is

still a critical requirement in businesses and security will continue to remain an integral part of the IT infrastructure. This should augur well for the Group’s business. For growth, the Group will focus on its best-of-breed products and will continue to look out for opportunities for regional expansion. The Group will also be selective of the products we carry so as to be able to do the best for the principals that the M.Tech companies represent. The Group will also promote the M.Tech brand name and intends to work closely with key partners to further promote the products.

### Appreciation

On behalf of the Board of Directors, we wish to thank the staffs and management of the Group for their commitment and dedication during the past years. Special thanks go to the colleagues on the Board for their strong support and positive contribution. We would also like to express our sincere appreciation to our shareholders, suppliers, customers and business partners for their invaluable support.

We thank you for your continued trust as we strive to reach new heights in 2026.

### Chong Teck Sin

*Group Chairman*

### Foo Suan Sai

*Chief Executive Officer*



**FOO SUAN SAI**  
Chief Executive Officer

# SUSTAINABILITY REPORT

## 1. Board Statement

Multi-Chem Limited (“MCL” or the “Company”) and its subsidiaries (collectively known as the “Group” or “We”) reaffirm our commitment to sustainability with the publication of this sustainability report (“Report”). For this Report, we provide insights into the way we do business, while taking into account our material sustainability factors under the sustainability pillars of economic, environmental, social and governance (collectively as “Sustainability Factors”), and to provide readers with an accurate and meaningful overview on how we manage our sustainability issues.

The Board of Directors (“Board”) of the Company, having considered the Group’s sustainability issues as part of its strategic formulation and business strategies, determined the material Sustainability Factors and overseen the management and monitoring of the material Sustainability Factors. Amidst today’s rapid business environment, the Board is committed to supporting the management in upholding good governance and sustainability practices to achieve long-term success and value for our stakeholders.

This Report communicates our support towards the United Nations’ Sustainable Development Goals (“SDGs”). As we collaborate closely with our stakeholders throughout the value chain, their inputs guide in prioritising our material Sustainability Factors and direct our sustainability initiatives. Below shows the interaction between our sustainability framework, material Sustainability Factors, stakeholders and the SDGs:



# SUSTAINABILITY REPORT

## 2. Sustainability Performance At A Glance

An overview of our key sustainability performance for the financial year ("FY") ended 31 December 2025 is as follows:

Sustainability Pillar	Sustainability Metric	Sustainability Performance	
		FY2025	FY2024
Economic	Number of product brands under distribution	More than 70	More than 70
	Economic value generated <sup>1</sup>	\$661 million	\$689 million
	Operating costs <sup>2</sup>	\$575 million	\$599 million
	Employee wages and benefits	\$40 million	\$47 million
	Payments to providers of capital <sup>3</sup>	\$26 million	\$26 million
	Income taxes paid	\$8 million	\$9 million
Environmental	Percentage of technological equipment for disposal that is handled by licensed waste collectors	100%	100%
	Aggregated absolute Scope 1 and 2 GHG emissions (tonnes CO <sub>2</sub> e)	537	602
	Scope 1 GHG emissions intensity (tonnes CO <sub>2</sub> e/ revenue \$'000) <sup>4</sup>	<0.001	<0.001
	Scope 2 GHG emissions intensity (tonnes CO <sub>2</sub> e/ square foot of office space) <sup>5</sup>	0.006	0.006
	Water consumption intensity (Cu M/ total number of employees)	3.68	4.64
Social	Number of reported incidents of unlawful discrimination against employees <sup>6</sup>	-	-
	Number of workplace fatalities	-	-
	Number of high consequence work-related injuries <sup>7</sup>	-	-
	Overall turnover rate	15%	13%
Governance	Number of incidents of serious offence <sup>8</sup>	-	-

The comparative figures of FY2024 were adjusted, where applicable, for the addition of the Group's entities in the reporting scope of FY2025 to facilitate comparison.

<sup>1</sup> Economic value generated comprises revenue and other income net of government grants.

<sup>2</sup> Operating costs comprise cost of sales, selling and distribution costs, administrative expenses, net of depreciation of property, plant and equipment, and right-of-use assets and employee-related costs.

<sup>3</sup> Payments to providers of capital comprise interest payments made to providers of loans and dividend payments made to shareholders (if any).

<sup>4</sup> The direct GHG emissions from consumption of diesel and petrol controlled by a reporting entity (Scope 1) are calculated based on the 2006 Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories.

<sup>5</sup> The indirect GHG emissions from the consumption of electricity purchased by a reporting entity (Scope 2) are calculated using the location-based methods based on the GHG emissions factors published by the relevant local Authorities.

<sup>6</sup> An incident of unlawful discrimination refers to an incident whereby the relevant authority has commenced investigation and resulted in a penalty to a company.

<sup>7</sup> A high consequence work-related injury refers to an injury from which the employee cannot recover or cannot recover fully to pre-injury health status within six (6) months.

<sup>8</sup> A serious offence is defined as one that involves fraud or dishonesty involving an amount not less than SGD 100,000 and is punishable by imprisonment for a term of not less than two (2) years, which is being or has been committed against a company by officers or employees of the company.

# SUSTAINABILITY REPORT

## 3. Our Business

We operate two businesses, comprising the information technology (“IT”) and printed circuit board (“PCB”) businesses, as follows:

### 3.1 Value Chain

#### IT business

We are a leading cyber security and network performance solutions provider. We work with leading vendors to bring optimal solutions to the market through a channel of reseller partners. Tapping on our strong network of subsidiaries, the products are sold through resellers, to a diverse pool of end-users which include Fortune 500 companies and small and medium enterprises.

As part of our value add to our customers, we provide maintenance and professional services such as on-site deployment and software upgrades. In addition, through our education services division, we conduct certified IT training courses for our customers to raise their awareness and technical knowledge.



#### Our Vendors

We procure the following products from our vendors:

- Cybersecurity solutions across network, cloud and application;
- Network performance software;
- Solutions for enterprise data centre; and
- Unified endpoint management software.



#### Our Operations

We are involved in:

- Distributing IT security products;
- Providing maintenance and professional services; and
- Providing certified IT training courses.



#### Our Customers

We sell to:

- Resellers; and
- End-users.

#### PCB business

We distribute PCB related products and materials to PCB manufacturers and provide machine rental services.



#### Our Suppliers

We purchase from suppliers of PCB-related products and materials.



#### Our Operations

We are involved in distributing PCB products and materials.



#### Our Customers

We sell to PCB manufacturers.

# SUSTAINABILITY REPORT

PCB's operations are minimal and confined to the distribution of PCB related products and machinery spare parts.

## 3.2 People

As at 31 December 2025, the Group had a workforce of 672 permanent full-time employees<sup>9</sup> (FY2024: 688 permanent full-time employees).

## 4. Reporting Scope

This Report covered the consolidated entities as disclosed in our audited financial statements, for the financial year from 1 January 2025 to 31 December 2025 ("**FY2025**" or "**Reporting Period**").

## 5. Reporting Framework

This Report is prepared in accordance with 711A and 711B of the Listing Manual: Rules of Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). This Report is also prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards. We use the GRI framework as it is an internationally recognised sustainability reporting standard that covers a comprehensive range of sustainability disclosures. The GRI content index can be found in pages in the pages 47 to 51.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we mapped our sustainability efforts in accordance with the 2030 Agenda for Sustainability Development which is adopted by all United Nations Members 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 the 17 SDGs, which form an urgent call for action by all developed and developing countries in a global partnership.

Our climate-related disclosures are produced based on the 11 recommendations of Task force on Climate-related Financial Disclosures ("**TCFD**"). Following the publication of the International Sustainability Standards Board ("**ISSB**") Standards – International Financial Reporting Standards ("**IFRS**") S1 and IFRS S2, we conducted a gap analysis against our existing TCFD reporting and are in the process of aligning our climate-related disclosures to the ISSB Standards. We are guided by the phased approach described in Practice Note 7.6 Sustainability Reporting Guide in aligning our climate-related disclosures with the ISSB Standards.

Internal reviews on the sustainability reporting process are incorporated as part of our internal audit review cycle. We will work towards external assurance for our future sustainability reports subjected to market trends and regulatory requirements.

<sup>9</sup> The Group did not employ part-time employees.

# SUSTAINABILITY REPORT

## 6. Feedback

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to improve our policies, systems and results. You may send related questions, comments, suggestions or feedback to our investor relations email account: [irmultichem@multichem.com.sg](mailto:irmultichem@multichem.com.sg)

## 7. Stakeholder Engagement

An important starting point in our sustainability journey is to identify our stakeholders and material Sustainability Factors relevant to our business. These include entities or individuals that have an interest that is affected or could be affected by our activities.

Through a stakeholder mapping exercise performed, we identified our key stakeholders which we prioritise our engagements with. These key stakeholders include communities, customers, employees, regulators, shareholders and vendors.

The concerns of key stakeholders are considered when formulating corporate strategies. We adopt both formal and informal channels of communication to understand the needs of our key stakeholders and incorporate them in our corporate strategies to achieve mutually beneficial relationships.

The table below sets out how we engage our key stakeholders:

S/N	Key stakeholder	Engagement channel	Frequency of engagement	Key concerns raised by stakeholder
1	Communities	<ul style="list-style-type: none"> <li>Community campaigns</li> <li>Annual report</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Social inclusion</li> <li>Environmental initiatives</li> </ul>
2	Customers	<ul style="list-style-type: none"> <li>Meetings and visits</li> <li>Events such as exhibitions</li> <li>Phone calls</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Product diversity</li> <li>Customer service</li> </ul>
3	Employees	<ul style="list-style-type: none"> <li>Meetings and talks held by the Management</li> <li>Emails</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Career development and training opportunities</li> <li>Work-life balance</li> <li>Job security</li> <li>Remuneration</li> <li>Workplace health and safety</li> </ul>
		Staff evaluation sessions	Yearly	

# SUSTAINABILITY REPORT

S/N	Key stakeholder	Engagement channel	Frequency of engagement	Key concerns raised by stakeholder
4	Regulators	Consultations and briefings organised by key regulatory bodies such as SGX-ST and relevant government agencies/ bodies	As and when required	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Workplace health and safety</li> </ul>
5	Shareholders	<ul style="list-style-type: none"> <li>• Annual general meeting</li> <li>• Annual reports</li> </ul>	Annually	<ul style="list-style-type: none"> <li>• Sustainable business performance</li> <li>• Market valuation</li> <li>• Dividend payments</li> <li>• Corporate governance</li> </ul>
		Results announcement	Half yearly	
		Dedicated email account for investor relations	Ongoing	
6	Vendors	<ul style="list-style-type: none"> <li>• Meetings and visits</li> <li>• Email communications</li> <li>• Phone calls</li> <li>• Events such as vendor conferences</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Ability to distribute products</li> <li>• Maintain and expand brand presence</li> <li>• Maximise end customers' satisfaction</li> </ul>

## 8. Policy, Practice and Performance Reporting

In line with our commitment to sustainability, a sustainability reporting policy ("**SR Policy**") covering our sustainability strategies, sustainability governance structure, materiality assessment and processes in identifying and monitoring material Sustainability Factors is in place and serves as a point of reference in the conduct of our sustainability reporting process. Under this SR Policy, we will continue to monitor, review and update our material Sustainability Factors from time to time, taking into account the feedback that we receive from our stakeholder engagement, organisational and external developments.

### 8.1 Sustainability Governance Structure

The Board advises and supervises the development of our sustainability strategy and performance targets. As part of our continual efforts to enhance and 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 have attended at least one (1) of the approved sustainability training courses.

Our sustainability strategy is spearheaded by the Sustainability Committee ("**SC**"), which is led by our Chief Operating Officer and Director – Business Operations and assisted by the Financial Controller. The SC is further supported by representatives from key business units and corporate functions which include Human Resources and Administration, Procurement and Logistics, Finance and Credit Control, Technical, as well as Country Heads from our different geographical locations.

# SUSTAINABILITY REPORT

Besides the SC, the Board is also supported by the Audit and Risk Management Committee (“ARC”) on specific sustainability matters that fall under its terms of reference. Our sustainability governance structure and the responsibilities of component parties are detailed as follows:

**Board** Board members

- Determine material Sustainability Factors of the Group
- Review and approve sustainability strategy, policies and targets
- Review and approve sustainability reports (including materiality assessment process and outcome)
- Monitor implementation of sustainability strategy, policies and performance against targets
- Oversee the identification and evaluation of sustainability and climate-related risks and opportunities
- Ensure the integration of sustainability and climate-related risks and opportunities within the Group’s enterprise risk management (“ERM”) framework
- Evaluate the composition and competencies of the SC to support effective oversight of sustainability strategy, with consideration of climate-related risks and opportunities

**ARC** ARC members

- Review the adequacy and effectiveness of the Group’s internal controls and risk management systems
- Oversee the conduct of assurance activities pertaining to the Group’s sustainability reporting processes

**SC (executive level)** Chief Operating Officer, Director – Business Operations, Financial Controller

- Develop sustainability strategy and policies and management plans, as well as recommend revisions to the Board
- Ensure that the implementation of sustainability strategy is aligned across business segments and geographical locations
- Evaluate overall sustainability risks and opportunities, with a focus on climate-related issues
- Track and monitor sustainability related regulatory requirements
- Perform materiality assessment to identify and prioritise material Sustainability Factors
- Align the Group’s practices at the operational level with the organisation-wide sustainability agenda and strategy
- Monitor sustainability metrics and performance against targets
- Consolidate sustainability metrics to track sustainability impact on a Group basis and for reporting purposes
- Prepare and review sustainability reports prior to its approval by the Board

Representatives from the Finance and Credit Control, Human Resource and Administration, Procurement and Logistics, Technical business unit and Country Heads from different geographical locations

**Business Units**

**Corporate Functions**

- Align practices at the operational level with the Group’s agenda and sustainability strategies
- Collect and compile sustainability metrics to track sustainability impact

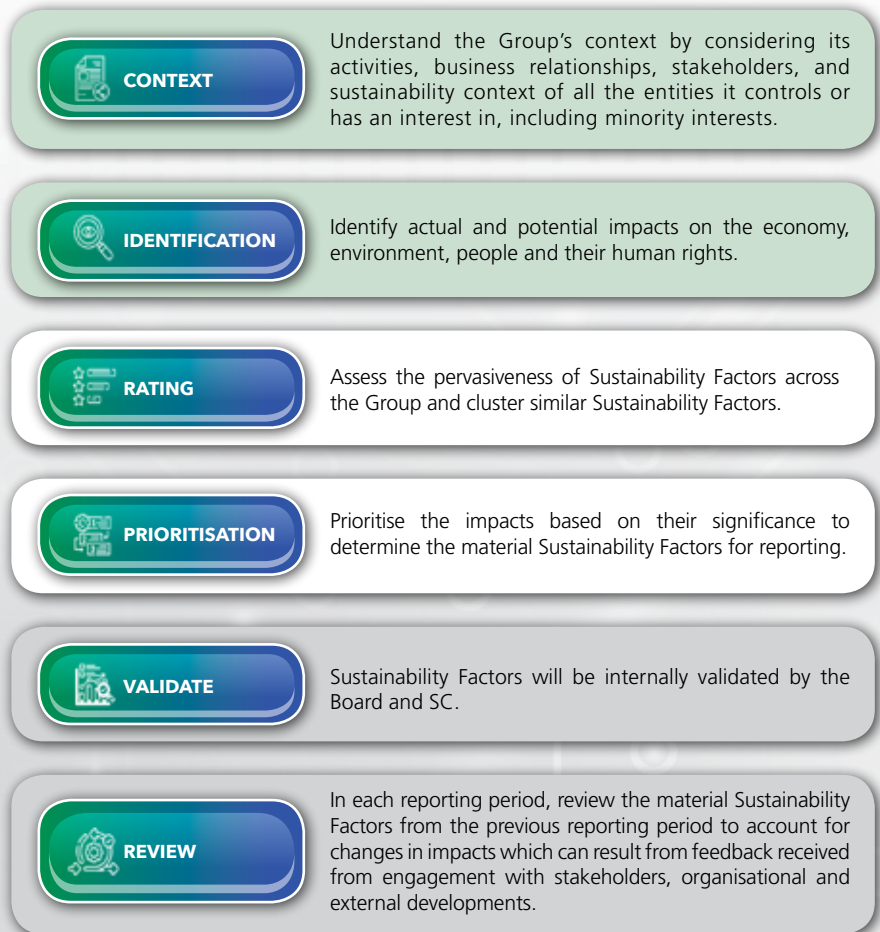
# SUSTAINABILITY REPORT

As we are still refining our sustainability metric measuring and tracking mechanism, we will link key executives' remuneration to sustainability performance when the mechanism is more mature and stable.

## 8.2 Sustainability Reporting Processes

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:



# SUSTAINABILITY REPORT

## 8.3 Materiality Assessment

We constantly refine our management approach to adapt to changes in the business landscape. An annual materiality assessment is performed by the SC to ensure that material Sustainability Factors disclosed in our sustainability reports remain current, material, and relevant. From the assessment, we identify key areas that impact our ability to create value for our stakeholders.

Impacts, positive and negative, actual and potential, are assessed based on: (i) the likelihood of occurrence of actual and potential negative and positive impacts; and (ii) their significance on the economy, environment, people and their human rights and contribution to sustainable development.

## 8.4 Performance Tracking and Reporting

We track the progress of our material Sustainability Factors by identifying the relevant sustainability metrics, 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 consistently enhance our performance-monitoring processes and improve our data capturing systems. A Report is published annually in accordance with our SR Policy.

## 9. Material Factors Assessment









In FY2025, a materiality assessment was performed by the SC to update the material Sustainability Factors and this was followed by a stakeholder engagement exercise<sup>10</sup> to understand the concerns and expectations of our key stakeholders. In this Report, we have also reported our progress in managing these factors and set related targets to improve our sustainability performance.

We incorporated the SDGs from the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, as a supporting framework to shape and guide our sustainability strategy where appropriate. Below are the results showing how our material Sustainability Factors relate to these SDGs, along with a list of material Sustainability Factors applicable to the Group:

S/N	Material Sustainability Factor	SDG	Key stakeholder	Our effort
<b>Economic</b>				
1	Total customer satisfaction		<ul style="list-style-type: none"> <li>• Customers</li> <li>• Vendors</li> </ul>	We are determined to bring outstanding products and services to our customers by offering a comprehensive product range, being attentive and responsive to customer feedback.
2	Sustainable business performance		<ul style="list-style-type: none"> <li>• Employees</li> <li>• Regulators</li> <li>• Shareholders</li> </ul>	We contribute to economic growth by creating long-term value for our stakeholders.

<sup>10</sup> The Company engaged both its internal and external stakeholders of customers, employees and suppliers for the materiality assessment performed.

# SUSTAINABILITY REPORT

S/N	Material Sustainability Factor	SDG	Key stakeholder	Our effort
<b>Environmental</b>				
3	Responsible waste management		<ul style="list-style-type: none"> <li>• Communities</li> <li>• Regulators</li> <li>• Shareholders</li> </ul>	We constantly enhance our operating systems to move towards a paperless working environment and ensure proper disposal of technological equipment requiring special disposal.
4	Energy conservation and GHG emissions reduction		<ul style="list-style-type: none"> <li>• Communities</li> <li>• Regulators</li> <li>• Shareholders</li> </ul>	We implement measures to reduce energy consumption, improve efficiency, lower GHG emissions, and at the same time, reduce costs.
5	Water conservation		<ul style="list-style-type: none"> <li>• Communities</li> <li>• Regulators</li> <li>• Shareholders</li> </ul>	We implement checks and measures to reduce water wastage, which in turn help us to work towards achieving sustainable management and efficient use of natural resources.
<b>Social</b>				
6	Equal employment opportunity		Employees	We treat all employees with respect and dignity, provide fair treatment regardless of gender, nationality, race or religion.
7	Employee safety and well-being		<ul style="list-style-type: none"> <li>• Employees</li> <li>• Regulators</li> </ul>	We implement measures to ensure a safe and secure working environment for our employees.
8	Employee retention and development		Employees	We invest in training, education and development of our people to enhance our business competencies.
9	Ongoing community engagement		Communities	We engage in various initiatives to help the communities.
<b>Governance</b>				
10	Corporate governance and code of ethics		<ul style="list-style-type: none"> <li>• Regulators</li> <li>• Shareholders</li> </ul>	We maintain a high standard of corporate governance to safeguard our shareholders' interest and maximise long-term shareholders' value and carry out business with integrity by avoiding corruption in any form.

# SUSTAINABILITY REPORT

We will update the material Sustainability Factors on an annual basis to reflect changes in business operations, environment, stakeholders' feedback and sustainability trends. For FY2025, pursuant to the review, there are no changes to the material Sustainability Factors identified from FY2024.

The details of each material Sustainability Factor are presented as follows:

## 9.1 Total Customer Satisfaction

### Commitment

We strive to enhance customer satisfaction by obtaining insights from customer engagement and continually improving our services.

### Approach

Our strategies towards customer satisfaction are as follows:

#### [Offer an extensive and comprehensive product range that meets market's needs](#)

We believe that offering a comprehensive product range is crucial in achieving customer satisfaction as it allows them to select products that better meet their needs. To ensure that we continue to offer a comprehensive range of products, we constantly seek to identify new synergistic products and maintain a robust relationship with our vendors through the following:

- Meet sales targets set by the vendors;
- Support the vendors in achieving their strategic plans; and
- Establish a strong and effective communication channel with them at different staff level.

#### [Maintain presence and proximity to our customers](#)

We strive to maintain an extensive network of operating locations, providing on-site sales, marketing as well as technical support to our reseller partners (customers). Such a network brings us closer to the markets we serve and more importantly, closer to our customers. As at 31 December 2025, we operate in 24 cities of 13 countries.

#### [Nurture a team of highly trained and experienced employees to serve our customers](#)

Our geographical footprint is driven by a core regional team and experienced professional staff that support our operations in the development and delivery of solutions to our customers. You may refer to section 9.8 for details on employee retention and development.

# SUSTAINABILITY REPORT

## Performance

During the Reporting Period, we continue to maintain a comprehensive range of more than 70 product brands (FY2024: more than 70 product brands).

## 9.2 Sustainable Business Performance

### Commitment

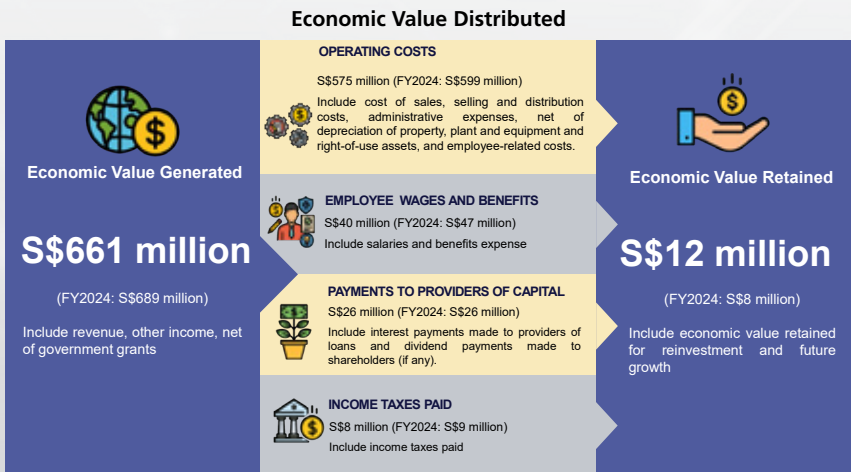
We are committed to provide value to various stakeholders through relevant and meaningful ways.

### Approach

We strive to generate and distribute economic value to our stakeholders by executing our business strategy, which includes staying abreast with market trends, maintaining a healthy balance sheet and strong cash flow, mitigating relevant business risks identified. Through our business operations, we create employment opportunities for our employees, provide opportunities for suppliers, deliver products and services for our customers, generate returns for our shareholders, and contribute tax revenues to government.

### Performance

In line with this commitment, value created in FY2025 is distributed to various key stakeholders as follows to enable a more sustainable future:



The decrease in economic value generated was mainly attributable to lower sales volume from the IT business, the depreciation of United States dollar (“USD”) against the Singapore dollar (“SGD”), which impacted USD-denominated transactions in FY2025, and the closure of PCB’s division factory in year 2025.

Refer to the financial statements in this annual report for the Group’s financial performance and financial risk management disclosure on our efforts and progress in maintaining financial sustainability.

# SUSTAINABILITY REPORT

## 9.3 Responsible Waste Management

### Commitment

We recognise that environmental preservation through efficient waste management, such as reusing and recycling, allows us to operate in a conducive and sustainable environment. It also helps us in achieving both short and long-term cost savings which enhance returns to our shareholders.

### Approach

Our key initiatives on this front are as follows:

#### [Moving towards a paperless working environment](#)

We constantly enhance our operating systems to move towards a paperless working environment. Such enhancements include the deployment of an integrated business system to minimise usage of transit documents, whereby forms are approved electronically and electronic version of sales and purchasing related documents are issued.

#### [Proper waste management and disposal](#)

Technological equipment distributed by us often contain components such as plastics and heavy metals, which may cause environmental damage if not properly disposed. We maintain technological equipment for use in our operations as equipment on loan to customers or for demonstration purposes. Such items are subject to obsolescence and damage risks. Proper disposal of such equipment is both environmentally responsible and often required by law.

### Performance

During the Reporting Period, the total weight of technological equipment waste generated by the Group was 4.5 tonnes (FY2024: 3 tonnes), of which 100% (FY2024:100%) was disposed through licensed waste collectors.

The increase in the total weight of technological equipment waste generated was mainly attributable to the disposal of accumulated equipment waste following an internal cleaning exercise conducted across the Group.

## 9.4 Energy Conservation and GHG Emissions Reduction

### Commitment

We acknowledge that our energy consumption and the relevant GHG emissions contribute to climate change. Accordingly, we are committed to reduce our carbon footprint whilst open to capitalise on opportunities that may arise as we transit to become a low-carbon organisation.

# SUSTAINABILITY REPORT

## Approach

We aim to reduce our carbon footprint and at the same time, establish operational resilience to deliver long-term and sustainable value to our stakeholders of communities, shareholders, employees, customers and suppliers. We adopt a balanced approach in effectively managing and minimising the impacts arising from our business operations.

### [Decarbonisation approach](#)

To conserve energy and manage our GHG emissions, we have set up a seven (7)-step continuous circular process as follows:



# SUSTAINABILITY REPORT

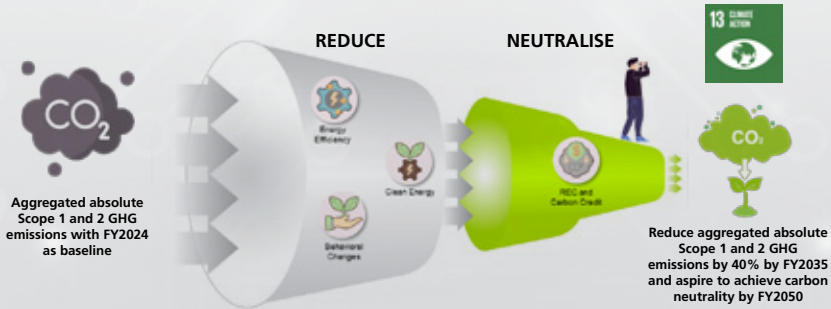
We conducted a GHG emission profiling exercise for our Scope 1, 2 and 3 GHG emissions based on defined organisational boundaries. To run our operations, we rely mainly on the following energy sources: (i) Petrol and diesel for operating our motor vehicles; and (ii) electricity for operating office equipment, lighting and cooling purposes. We track and monitor our Scope 1, Scope 2 and certain categories of Scope 3 GHG emissions closely and are developing mechanisms to track our other categories of our scope 3 GHG emissions, where relevant and practicable.

We measure our GHG emissions in alignment with the GHG Protocol: A Corporate Accounting and Reporting Standard (2004) and adopted the operational control approach as a basis to determine GHG emissions data consolidation boundaries across our entities. This approach has been selected as it allows us to manage emissions from our operations where we have practical control to introduce relevant measures and implement operating policies. We have assessed that we have operational control over all reporting entities covered in this Report.

We developed a climate change transition plan and will refine and improve the plan as we progressively implement it, by considering changes in business operations, environment and market trends. Progress updates and performance will be provided in our future sustainability reports with assurance on the reporting process covered by an internal review.

### Climate change transition plan

Our climate change transition plan steers us on our decarbonisation journey. Under this plan, we commit to reduce our aggregated absolute Scope 1 and 2 GHG emission by 40% and by FY2035 and aspire to achieve carbon neutrality by FY2050, with FY2024 as our baseline. Our climate change transition plan is focused on two (2) strategic levers of reduce and neutralise as follows:



# SUSTAINABILITY REPORT

Details of our strategic levers adopted in our climate change transition plan are as follows:

Lever	Reduce	Neutralise
Focus area	<ul style="list-style-type: none"> <li>Energy efficiency               <ul style="list-style-type: none"> <li>Lighting</li> <li>Cooling</li> </ul> </li> <li>Clean energy</li> <li>Behavioural changes</li> </ul>	<ul style="list-style-type: none"> <li>Renewable energy certificates ("REC")</li> <li>Carbon credits</li> </ul>

We continuously strive to improve our energy use and efficiency through the following initiatives:

Lever	Key initiative	Description
Reduce	Energy efficiency - Lighting	Our initiatives on this front include: <ul style="list-style-type: none"> <li>Switch to energy-efficient LED lightings wherever possible; and</li> <li>Install light sensors in toilets.</li> </ul>
	Energy efficiency - Cooling	We replace older and less energy efficient air conditioning units with more efficient ones when they are due for replacement.
	Clean energy	We are constantly exploring opportunities to source for clean and/or renewable energy where we operate in.
	Behavioural changes	We constantly remind our employees on basic and socially responsible habits at their workplaces such as adopting greener work ethics, switching off appliances if not in use, enabling power saving modes and optimising operating temperatures.
Neutralise	<ul style="list-style-type: none"> <li>REC</li> <li>Carbon credits</li> </ul>	We plan to explore the use of REC and carbon credits to offset unavoidable residual emissions when the relevant markets mature.

During the Reporting Period, we placed USD 2 million in the form of Green and Sustainable Deposit ("**Green Deposit**") with a financial institution. The Green Deposit is deployed for provision of green loans that have a direct impact on the environment and cover eligible assets and activities that meet specific environmental, social and governance criteria. These include green real estate, renewable energy, energy efficiency, smart city infrastructure and the circular economy.

# SUSTAINABILITY REPORT

## Performance

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

Sustainability metric	Unit of measurement	FY2025	FY2024
<b>Energy consumption</b>			
Diesel consumption	Gigajoules ("GJ")	200	281
Petrol consumption	GJ	1,073	1,165
Electricity consumption	GJ	2,820	3,141
Total energy consumption	GJ	4,093	4,587
<b>Energy consumption intensity</b>			
Diesel consumption intensity	GJ/ revenue \$'000	<0.001	<0.001
Petrol consumption intensity	GJ/ revenue \$'000	0.002	0.002
Purchased electricity consumption intensity	GJ/ square foot of office space	0.037	0.039
<b>GHG emissions</b>			
Direct GHG emissions (Scope 1)	tonnes CO <sub>2</sub> e	91	104
Indirect GHG emissions (Scope 2)	tonnes CO <sub>2</sub> e	446	498
Aggregated absolute Scope 1 and 2 GHG emissions	tonnes CO <sub>2</sub> e	537	602
<b>GHG emissions intensity</b>			
Direct GHG emissions intensity (Scope 1)	tonnes CO <sub>2</sub> e/ revenue \$'000	<0.001	<0.001
Indirect GHG emissions intensity (Scope 2)	tonnes CO <sub>2</sub> e/ square foot of office space	0.006	0.006

The decrease in electricity consumption was mainly due to closure of MCL PCB's factory in Singapore and a change in the office lease arrangement of one of the entities, whereby the electricity consumption of the entity was consolidated under the landlord's utility account and thus not available for disclosure.

The coverage of Scope 3 GHG emissions<sup>11</sup> as follows:

Category	Coverage	Entity	Unit of measurement	FY2025	FY2024
Category 1: Purchased goods and services	Tap water	Reporting entities	tonnes CO <sub>2</sub> e	0.67	0.83
Category 6: Business travel	Air travel		tonnes CO <sub>2</sub> e	110	93
Category 7: Employee commuting	Transportation of employees between their homes and their worksites	<ul style="list-style-type: none"> <li>• MTHD</li> <li>• MTSG</li> </ul>	tonnes CO <sub>2</sub> e	46	25

<sup>11</sup> Scope 3 GHG emissions were calculated using a mix of emission factors from "Life cycle assessment of water supply in Singapore — A water-scarce urban city with multiple water sources" and calculation tools comprising International Civil Aviation Organization Carbon Emissions Calculator and Carbon and Emissions Recording Tool.

# SUSTAINABILITY REPORT

During the Reporting Period, the increase in Scope 3 GHG emissions from business travel and employee commuting were primarily due to an increase in overseas travel for exhibitions, meetings with principals, changes in workforce composition and commuting patterns respectively.

## 9.5 Water Conservation

### Commitment

We recognise the importance to manage our water consumption efficiently and avoid the depletion of valuable water resources. Accordingly, we are committed to the responsible usage of water resources through enhancing our water consumption efficiency.

### Approach

We use water resources mainly for cleaning purposes at our premises. We mainly source our water supply from municipal water suppliers<sup>12</sup>. Key initiatives to reduce our water consumption are as follows:

- Placing notes within the premises to remind staff to save water;
- Turning off taps and repairing leaks promptly; and
- Tracking and reviewing spending on water consumption regularly to control usage and corrective actions are taken when there are unusual consumption patterns.

### Performance

Key statistics on water consumption during the Reporting Period are as follows:

Resource	Water consumption (Cu M)		Water consumption intensity (Cu M/ total number of employees)	
	FY2025	FY2024	FY2025	FY2024
Water	1,308	1,648	3.68	4.64

During the Reporting Period, the decrease in water consumption was mainly attributable to the closure of MCL PCB's factory and a pipe leakage incident that occurred at one of the entities in FY2024.

## 9.6 Equal Employment Opportunity

### Commitment

Human resource is a key asset of the Group. A diversified workforce supports business sustainability by offering fresh perspectives and ideas that contribute to the growth of our operations.

<sup>12</sup> Disclosure on water drawn from water stress areas is not made as it is not applicable. The Group does not contribute significantly to the ability of any of the country in which it operates in, to meet the human and ecological demand for water.

# SUSTAINABILITY REPORT

## Approach

We are committed to the goals of diversity, equal opportunity and safety in employment through the following:

### [Integrating flexible work arrangements](#)

We provide working parents with flexible working arrangements that support our employees' caregiving needs. For example, our employees are allowed to leave work early to pick up their children. We believe that such flexibility helps us to retain talent by building employee loyalty, which in turn enhances overall productivity.

Such arrangements are also aligned with the Singapore government's objective of improving the country's total fertility rate as well as the Tripartite Guidelines on Flexible Work Arrangements Request<sup>13</sup>.

### [Made for Families](#)

As a form of support for the Made for Families initiative introduced by the Prime Minister's Office of Singapore to assure that families will emerge stronger from the Pandemic, we offer telecommuting and flexi work hours for our employees to tend to family matters.

### [Adopting fair employment practices](#)

To promote diversity and equal opportunity, we have put in place the following policies and measures:

- A human resource policy to select employees based on merit and competency;
- A policy on fair employment practices to reinforce commitment to diversity and equality in the workplace;
- A sexual harassment policy to ensure every employee has the right to work in an environment free from all forms of discrimination and conduct which can be considered harassing, coercive and disruptive;
- Employees are evaluated yearly, and rewards are linked to their performance; and
- Long service awards are given out to valuable employees with continuous employment records regardless of their race, age, gender, sexuality, disability or culture.

<sup>13</sup> The Tripartite Guidelines on Flexible Work Arrangements Requests specifies practices that employers should implement at the workplace to help their employees better manage their work-life needs and also a key component in talent attraction and retention strategies and can support business continuity when work exigencies arise.

# SUSTAINABILITY REPORT

## Performance

The total number of full-time employees under the Group as at 31 December 2025 is 672 (as at 31 December 2024: 688). Key statistics on employee demographics are as follows:

### [Gender diversity \(%\)](#)

We view gender diversity in the Board as an essential element in supporting sustainable development. We have a female representation of one Director (FY2024: one) in the Board or 17% (FY2024: 17%) of the Board. Key statistics on gender diversity of our employees are as follows:

Sustainability Metric	FY2025		FY2024	
	Male	Female	Male	Female
<b>Overall</b>	58%	42%	59%	41%
<b>Employee category</b>				
Management	57%	43%	59%	41%
Non-management	58%	42%	59%	41%

### [Age diversity \(%\)](#)

As compared to the other industries, workers engaged in the IT industry tend to be younger. Key statistics on age diversity of our employees are as follows:

Sustainability Metric	FY2025			FY2024		
	Below 30	30 - 50	Above 50	Below 30	30 - 50	Above 50
<b>Overall</b>	20%	74%	6%	20%	73%	7%
<b>Employee category</b>						
Management	-	73%	27%	-	73%	27%
Non-management	21%	74%	5%	22%	73%	5%

### [Educational diversity \(%\)](#)

Our employees are from different educational background, and we seek to create an inclusive environment for them. Key statistics on educational diversity of our employees are as follows:

Sustainability Metric	FY2025	FY2024
Tertiary	86%	92%
Non-tertiary	14%	8%

Due to the nature of the business covered in this Report, our workforce is predominantly tertiary educated (with a diploma and above). Upon joining us, employees are assessed and rewarded primarily based on merit.

During the Reporting Period, there was zero (FY2024: zero) reported incident of unlawful discrimination against employees.

# SUSTAINABILITY REPORT

## 9.7 Employee Safety and Well-being

### Commitment

We strive to ensure good health and safety for our employees in the workplace. A working environment that supports equal opportunity for all helps to create a level platform for employees to excel and showcase their potential in contributing to the Group.

### Approach

In line with our commitment to promote a healthy and safe work environment with a strong workplace safety culture, new employees are briefed on safety procedures during orientation, workplace accidents are tracked and monitored regularly, and related corrective procedures are followed through.

To support the well-being of our employees, we provide employee benefits including reimbursement of expenses incurred from medical consultation, treatment and medicine, as well as health incentives such as dental check-ups, health supplements and gym memberships.

To celebrate the team’s achievements and to show appreciation of their efforts, we gathered employees from Singapore, for Lunar New Year Lou-Hei dinner, and together with our employees based in Johor Bahru, for a staff incentive trip to Japan and our dinner and dance (“DND”) event.



# SUSTAINABILITY REPORT

## Performance

During the Reporting Period, we recorded no (FY2024: zero) workplace fatalities, no (FY2024: zero) high consequence work-related injuries, no (FY2024: zero) recordable work-related injuries and no (FY2024: zero) work-related ill health cases during the Reporting Period. We will continuously work towards maintaining zero workplace accidents.

## 9.8 Employee Retention and Development

### Commitment

We recognise the importance of providing equitable and quality education for our employees. We believe that having a strong team is critical in supporting customers for the products we distribute.

### Approach

We place a high priority on the competency development of our engineers as we believe that an effective employee training programme is vital to employee retention and the long-term success of any business. The training programme includes training courses on cyber security engineering, administration and troubleshooting for our engineers.

In addition, we have a regional team of certified pre-sales and post-sales engineers in place to educate and support our customer-facing employees on the technical aspects of the products that we distribute. Each regional team is led by a senior engineer with extensive years of field experience, and each individual engineer is trained, certified and qualified to install, implement and maintain the assigned products.

We demonstrate our commitment to employee development by providing our employees with the opportunity to work for a period in our overseas subsidiaries to further enhance their experience. Selected employees are also given the opportunity to attend local or overseas trade shows or vendors' events to gain more product knowledge and network.

In addition, staff assessments are performed regularly to evaluate the performance of employees, and this helps to encourage them to take self-initiated enrichment actions to improve themselves.

# SUSTAINABILITY REPORT

## Performance

### Parental leave

Key statistics on maternity leave and paternity leave (collectively as “**Parental Leave**”) taken by eligible employees are as follows:

Sustainability Metric	FY2025		FY2024	
	Male	Female	Male	Female
Number of employees entitled to Parental Leave	11	12	4	9
Number of employees who took Parental Leave	11	12	3	9
Number of employees who returned to work after Parental Leave ended	11	10	3	8
Return to work rate of employees who took Parental Leave	100%	83%	100%	89%
Retention rate of employees 12 months after they returned to work from Parental Leave <sup>14</sup>	100%	88%	67%	69%

### New hires

During the Reporting Period, our hiring rate was 13% (FY2024: 10%). Detailed statistics on new employee hires are as follows:

Sustainability Metric	FY2025		FY2024	
	Number	Percentage	Number	Percentage
<b>Overall new hires</b>	87	13%	70	10%
<b>Gender</b>				
Male	56	14%	42	10%
Female	31	11%	28	10%
<b>Age</b>				
Above 50	2	5%	2	4%
30 to 50	45	9%	35	7%
Below 30	40	31%	33	23%

<sup>14</sup> Retention rate is calculated based on employees who took Parental leave in the preceding reporting period.

# SUSTAINABILITY REPORT

## [Turnover](#)

During the Reporting Period, our overall turnover rate was 15% (FY2024: 13%). Detailed statistics on employee turnover are as follows:

Sustainability Metric	FY2025		FY2024	
	Number	Percentage	Number	Percentage
<b>Overall turnover</b>	103	15%	92	13%
<b>Gender</b>				
Male	69	18%	53	13%
Female	34	12%	39	14%
<b>Age</b>				
Above 50	8	19%	3	7%
30 to 50	69	14%	69	14%
Below 30	26	20%	20	14%

The increase in turnover rates was mainly due to employees leaving to pursue other career opportunities and fulfil family commitments. We will continue to work towards improving turnover rates by focusing on the needs of our employees.

## [Employee training](#)

During the Reporting Period, the average training hours per employee was 65 (FY2024: 58). Detailed statistics on employee training are as follows:

Sustainability Metric	FY2025	FY2024
<b>Overall</b>		
Total training hours	7,180	4,035
Average training hours per employee	65	58
<b>Gender (Male)</b>		
Total training hours	6,618	3,196
Average training hours per employee	70	52
<b>Gender (Female)</b>		
Total training hours	562	839
Average training hours per employee	35	105

During the Reporting Period, we continue to invest in our employees by increasing the average number of training hours per employee. Training conducted includes training courses on cybersecurity, engineering, pre-sales courses and troubleshooting.

# SUSTAINABILITY REPORT

[Performance appraisal](#)

Key statistics on employees who received performance and career development reviews are as follows:

Sustainability Metric	FY2025		FY2024	
	Number	Percentage	Number	Percentage
<b>Overall</b>	625	97%	643	97%
<b>Gender</b>				
Male	355	97%	375	97%
Female	270	97%	268	97%
<b>Employee category</b>				
Management	43	96%	47	96%
Non-management	582	97%	596	97%

Employees who did not receive performance appraisal or career development reviews comprise those under probation and their performance is reviewed upon confirmation of their employment.

## 9.9 Ongoing Community Engagement

### Commitment

We are committed to contribute to a progressive and healthy society and strive to set a good example and encourage individuals and other corporations to embrace the spirit of giving as we recognise that the long-term success of our business is closely related with the health and prosperity of the communities which we operate in.

### Approach

During the Reporting Period, we engaged in various initiatives to help the communities as follows:

[Nurture financially challenged but deserving undergraduates](#)

Arising from a collaboration with Singapore Institute of Technology (“SIT”) in year 2018, we contributed SGD 67,000 to SIT to set up an endowment fund (“**M.Tech Bursary**”) for financially challenged but deserving undergraduates. The bursary is used to fund the recipient’s education expenses such as tuition fees, course materials, expenses for overseas immersion programme conducted by the institute and fees for other education activities organised by the institute. To support our initiative, the Ministry of Education has further contributed an amount of SGD 100,500 to the bursary. A bursary of SGD 5,000 has been awarded annually from the year 2019 onwards.

The above initiative demonstrates our support for the academic and personal growth of deserving and needy individuals from our community.

# SUSTAINABILITY REPORT

## [Support worthy causes of charities](#)

During the Reporting Period, we donated approximately SGD 210,000 to various community campaigns in Singapore and overseas. These included contributions to the Society for the Physically Disabled ("SPD"), Singapore Island Country Club ("SICC"), Singapore University of Social Sciences and Singapore Children's Society in Singapore and to a temple in Thailand for the Kathina Robe Ceremony. Additionally, we supported education development initiatives in India.



Sponsor for SPD Charity Golf on 25 April 2025



Sponsor for SICC May Day Charity Event on 1 May 2025



Volunteer work at Willing Hearts on 10 October 2025

# SUSTAINABILITY REPORT

## Football With A Heart (“FWAH”)

FWAH is the largest executive football charity fundraiser whereby teams from various corporations come together for a friendly football tournament. All proceeds from the event go towards 57 unique charities and social enterprises to date. These contributions support initiatives in the areas of sports, youth development, sustainability, strengthening of family and community bonds, and enabling the charity sector. During the Reporting Period, we donated SGD 24,000 to the FWAH fundraiser and participated in its “Football With a Heart 2025” fundraising event.



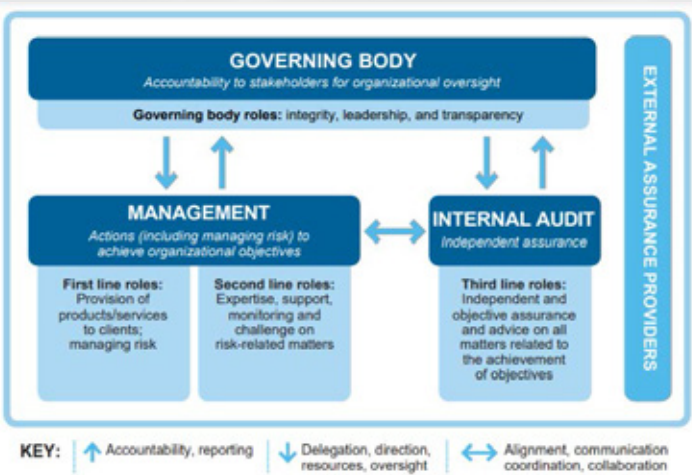
### 9.10 Corporate Governance and Code of Ethics

#### Commitment

A high standard of corporate governance is integral in ensuring sustainability of our business as well as safeguarding shareholders’ interest and maximising long-term shareholder value.

#### Approach

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 of the IIA

# SUSTAINABILITY REPORT

On risk management, we have in place an ERM framework to track and manage the risks in which we are exposed. Such risks include financial, operational, compliance and strategic risks. We regularly assess and review our businesses and operational environment to identify and manage emerging and strategic risks that may impact our sustainability. With a positive and proactive attitude, we believe that risks faced by the Group could be converted into opportunities and favourable results.

Our policies and commitments for enforcing anti-corruption and ethical business practices are as follows:

- A code of conduct that outlines expectations for employees and the consequences for any violations of rules or standards not being met. Additionally, clear and fair grievance procedures are detailed in the employee handbook;
- A whistleblowing policy that offers a mechanism for employees and external parties to report concerns about alleged wrongful acts and suspected fraudulent activities. The policy is sent to employees twice a year and stored in cloud storage folders, accessible to employees, who can file complaints directly via email to members of the ARC. Follow-up procedures regarding matters raised are also stated, and whistleblowers are assured that actions taken in good faith will not adversely affect their work or performance evaluations;
- An anti-trust and fair competition, anti-money laundering, data protection and privacy policy that outlines fair competition on business practices and open markets, allowing employees to report suspected fraudulent activities anonymously to their Department Head, Human Resources, or any member of the management staff, and implement measures to safeguard personal data collected from our stakeholders; and
- We seek to comply with the relevant laws and regulations including the Mainboard Rules of SGX-ST, Companies Act and Employment Act.

You may refer to the Corporate Governance Report of this Annual Report for further details on our corporate governance practices.

## Performance

During the Reporting Period, there were no incidents of serious offence reported (FY2024: zero incidents).

# SUSTAINABILITY REPORT

## 10. Targets and Progress

To measure our ongoing sustainability performance and drive continuous improvement, we have developed a set of targets related to our material Sustainability Factors. Our progress against these targets is reviewed and reported on an annual basis with details as follows:

S/N	Material Sustainability Factor	Target <sup>15</sup>	Current year's progress against progressive target set for FY2025 <sup>16</sup>
<b>Economic</b>			
1	Total customer satisfaction	<u>On-going</u> Maintain a comprehensive range of products	● ● ● We maintained a comprehensive range of products.
2	Sustainable business performance	<u>On-going and long-term</u> Maintain or improve economic value generated subject to market conditions	● ● ○ The Group's economic value generated decreased by 4% in FY2025 mainly due to lower sales volume from the IT business, the depreciation of USD against SGD, which impacted USD-denominated transactions in FY2025, and the closure of PCB's division factory in year 2025.
<b>Environmental</b>			
3	Responsible waste management	<u>Short-term</u> Maintain disposal of technological equipment is handled by licensed waste collectors	● ● ● We maintained disposal of technological equipment is handled by licensed waste collectors.
4	Energy conservation and GHG emissions reduction	<u>Short-term</u> Maintain or reduce GHG emissions intensity by 2025, with FY2024 as our baseline	● ● ● We maintained our GHG emissions intensity.
		<u>Medium-term and long-term</u> Reduce our aggregated absolute Scope 1 and 2 GHG emissions by 40% by FY2035 and aspire to achieve carbon neutrality by FY2050, with FY2024 as our baseline	○ ○ ○ We revised the medium-term target for energy conservation and GHG emissions reduction due to an increase in the entities covered.
5	Water conservation	<u>Short-term</u> Maintain or reduce water consumption intensity (Cu M/ total number of employees)	● ● ● We reduced our water consumption intensity by 21%.

<sup>15</sup> Time horizons for target settings are: (i) short term: within 5 years (until FY2028); (ii) medium term: between 5 and 20 years (between FY2028 and FY2043); (iii) long term: above 20 years (FY2043 onwards); and (iv) ongoing: encompassing short, medium, and long term.

<sup>16</sup> You may refer to the FY2024 Report for details on targets set for FY2025.

# SUSTAINABILITY REPORT

S/N	Material Sustainability Factor	Target <sup>15</sup>	Current year's progress against progressive target set for FY2025 <sup>16</sup>
<b>Social</b>			
6	Equal employment opportunity	<u>On-going and long-term</u> Maintain zero reported incident of unlawful discrimination against employees	●●● We maintained zero reported incidents of unlawful discrimination against employees.
7	Employee safety and well-being	<u>On-going and long-term</u> Maintain zero work-related injuries and ill health cases	●●● We maintained zero work-related injuries and ill health cases.
8	Employee retention and development	<u>On-going</u> Maintain or improve employee retention rate subject to market condition	●○○○ Employee retention rate decreased by 3% due to employees leaving to pursue other career opportunities and fulfil family commitments. We will continue to work towards improving turnover rates by focusing on the needs of our employees.
		<u>On-going</u> Continue to provide training opportunities for development and growth to keep our employees motivated and engaged	●●● We continued to provide training opportunities for development and growth to keep our employees motivated and engaged.
9	Ongoing community engagement	<u>On-going and long-term</u> Initiate various campaigns to help the communities	●●● We continued to initiate various community campaigns to help the communities.
<b>Governance</b>			
10	Corporate governance and code of ethics	<u>On-going and long-term</u> Maintain zero incident of serious offence	●●● We maintained zero incident of serious offence.

For the material Sustainability Factors identified this Report, the Board and SC have considered the relevance and usefulness of setting related targets in the short, medium and long-term horizon. As the historical data trends for certain material Sustainability Factors have yet to stabilise, we have not set the related medium and long-term targets and will disclose such targets in our future sustainability reports when the data trends have stabilised and subject to market trends.

## Legend Progress tracking

- New target
- Target achieved
- On track to meet target
- Not on track, requires review

# SUSTAINABILITY REPORT

## 11. Supporting the TCFD

Our climate-related disclosures are produced based on the 11 recommendations of TCFD.

### 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 on an annual basis.

*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 Board is ultimately responsible for the oversight of the Group’s sustainability matters and is primarily supported by the SC. The SC is led by our Chief Operating Officer and Director – Business Operations and assisted by the Financial Controller. It also comprises senior management executive and representatives from key Group functions, as well as selected Country Heads from our different geographical locations. The responsibilities of the SC include performing materiality assessment, considering stakeholders’ priorities, setting targets, as well as collecting, verifying, monitoring and reporting 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.*

We recognise that climate change poses different types of risks to our business. The Group’s assessment on potential implication of climate-related risks was undertaken based on the Network of Central Banks and Supervisors for Greening the Financial System (“**NGFS**”) range of climate scenarios:

Scenario	Description
Orderly Net zero 2050	Reaching net-zero global CO2 emissions by 2050 will require an ambitious transition across all sectors of the economy. Scenarios highlight the importance of decarbonising the electricity supply, increasing electricity use, improving energy efficiency, and developing new technologies to tackle hard-to-abate emissions. Transition risks to the economy could result from higher emissions costs and changes in business and consumer preferences, while physical risks would be minimised.
Hot house world Current policies	While many countries have started introducing climate policies, they remain insufficient to achieve official commitments and targets. If additional measures are not implemented, global temperature could rise 3 °C or more by 2100. This would likely lead to deteriorating living conditions in many parts of the world and result in irreversible impacts, such as sea-level rise. Physical risks to the economy could result from disruption to ecosystems, health, infrastructure and supply chains.

# SUSTAINABILITY REPORT

We selected NGFS' orderly and hot house world scenarios for the purpose of our qualitative climate scenario analysis. The impact of the climate-related risks is analysed on Group-wide activities in the short term (within 5 years, up to FY2028), medium term (between 6 and 20 years, between FY2029 and FY2043) and long term (beyond 20 years, after FY2043). Based on the above-mentioned scenarios, the climate-related risks and opportunities identified by the Group during the ERM exercise includes the following:

## Physical Risk

Physical Risk 1: Increased Severity of Extreme Weather Events				
Description	Climate changes, such as rising temperatures and extreme weather events (such as floods and droughts), may disrupt the Group's supply chains and consequently cause procurement delays, which will in turn adversely affect its business performance.			
	Additionally, increased heatwaves from global warming could raise cooling costs, reduce labour productivity, and increase the spread of vector-borne diseases like dengue.			
We remain vigilant in monitoring the impact of climate change on our operations, mindful of the alarming estimated global cost of USD 16 million per hour <sup>17</sup> arising from climate-related damage.				
Financial Impact <sup>18</sup>	Current effect (SGD)	Short-term	Medium-term	Long-term
	<b>Scenario: Orderly</b>			
	NA <sup>19</sup>	●	●	●
	<b>Scenario: Hot house world</b>			
	NA <sup>19</sup>	●	●	●
Mitigation Measure	We put in place a climate change transition plan to steer us on our decarbonisation journey.			
	The increased severity of extreme weather events drove us in transiting to electricity from renewable energy sources through the redemption of renewable energy certificates.			
	We also invested in technologies such as sensors to manage energy consumption, generate energy savings and reduce GHG emissions.			
	You may refer to Section 9.4 for further details.			
Climate-related Opportunity	In view of the potential environmental risks and the resultant emerging needs for energy efficiency and lower emissions, the Group realises the opportunity to invest in energy-efficient technologies and renewable energy use.			

<sup>17</sup> Source: <https://www.weforum.org/agenda/2023/10/climate-loss-and-damage-cost-16-million-per-hour/>

<sup>18</sup> Significance of financial impact is determined based on the risk appetite established in accordance with the Group's ERM framework.

<sup>19</sup> We are unable to estimate the current financial effect due to uncertainties in the inputs and assumptions resulting from the lack of available data, including information about climate outcomes and their effects on the Group. We will continue to monitor credible information to support our disclosures in this area.

# SUSTAINABILITY REPORT

## Transition Risk

Transition Risk 1: Enhanced GHG Emissions Reporting Obligations			
<b>Description</b>	With rising concerns over the effects of climate change, key stakeholders such as the regulators and shareholders are demanding climate-related information. Failure to comply with the relevant climate reporting requirements may lead to adverse impacts on the Group's reputation and financial performance.		
	The enhanced obligations for GHG emissions reporting may result in increased costs due to the investment of manpower resource in more comprehensive data collection, analysis, and reporting processes, greater involvement from management, and additional costs for consultant and employee training.		
<b>Financial Impact<sup>18</sup></b>	<b>Short-term</b>	<b>Medium-term</b>	<b>Long-term</b>
	<b>Scenario: Orderly</b>		
	●	●	●
	<b>Scenario: Hot house world</b>		
	●	●	●
<b>Mitigation Measure</b>	To strengthen our sustainability governance structure, we put in place a SC for managing and monitoring our material Sustainability Factors, including working with the various business units and corporate functions to ensure that these are integrated into our day-to-day operations.		
	In addition, we established terms of reference for component parties involved in the sustainability reporting process, for clarity and accountability purposes.		
	With the above, we will be in a better position to meet the changes in regulations and rising expectations of stakeholders on the environment.		
<b>Climate-related Opportunity</b>	The enhanced emissions reporting obligations and increase in regulatory costs will raise climate awareness among our employees.		
	With more defined job responsibilities and training, the Group will also be better positioned to use energy resources responsibly and adopt environmentally friendly practices.		

**Legend:**

- Minor
- Moderate
- Major

These climate-related risks and opportunities remain valid for the Group for the purposes of planning and decision making and will be updated periodically or where there is a major change in our business model.

Based on the scenarios above, we will continue to formulate adaptation, and mitigation plans and allocate resources towards transitioning to low or net zero carbon operations, through optimal business strategy and effective planning. We strive to minimise the climate risks associated with our business and will seize opportunities such as expanding collaboration and partnership with key stakeholders to innovate and develop low carbon goods and services for the market.

# SUSTAINABILITY REPORT

## Strategy

- a. *Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.*

The resilience of an organisation's strategy is dependent on its ability to adapt and thrive in the face of changing circumstances and emerging risks. The climate scenario analysis is crucial in providing insights on the potential extent of the climate-related risk exposure to our businesses as well as the potential opportunities.

Through our climate scenario analysis, we concluded that unmitigated climate risk of increased severity of extreme weather events under hot house world scenario may result in a major financial impact in the long term. Under orderly scenario, the climate-related risks identified are not expected to result in significant financial impacts in the short, medium or long-term. To address the risks and capitalize on opportunities associated with climate change, we will continuously build on our strategy to remain resilient as we progress in our sustainability journey.

## 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.*

We acknowledge that maintaining a sound system of climate-related risk management is imperative to safeguarding the interests of the Group and fostering trust with our stakeholders. To keep abreast of any changes in existing regulatory requirements and maintain good corporate governance, we proactively identify any major climate-related risks relevant to your business, as well as reviewing key climate-related risk performance regularly.

Climate-related risk management is covered under our ERM framework whereby potential climate-related risks are identified, assessed, monitored and managed. Under the framework, business units and functions are responsible for identifying and documenting their relevant climate-related risk exposures that might hinder their progress towards contributing to the Group's business objectives. Climate-related risks and opportunities, along with their treatment plans, are reviewed and updated during the ERM assessment exercise and are subsequently presented to the ARC along with the other key enterprise-wide risks. Climate-related risks are also monitored based on the trend of climate-related sustainability metrics.

## 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, GHG emissions, water and waste management and disclose related metrics this 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.

# SUSTAINABILITY REPORT

*b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.*

To support the climate change agenda, we disclose our Scope 1, 2 and selected Scope 3 GHG emissions in the Report and set climate-related targets such as those related to energy, GHG emissions, water and waste management. We will continue to monitor our GHG emissions and expand our disclosure for our Scope 3 GHG emissions wherever applicable and practicable.

Our disclosure on indirect Scope 3 emissions includes purchased goods and services (category 1), business travel (category 6) and employee commuting (category 7) in FY2025.

*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 climate-related targets related to GHG emissions, energy consumption, water consumption, and waste management. Refer to pages 40 to 41 for further details.

## Appendix 1 Key Assumptions

Disclosure	Assumption
Climate change transition plan	<p>Our climate change transition plan, including levers and detailed action plans, assumed certain future events, trends, plans, expectations, and objectives relating the Group’s business operations, in setting our targets. It is also prepared based on the current operating environment, which includes policies and plans undertaken by governments and other stakeholders.</p> <p>Accordingly, these assumptions are subjected to inherent uncertainties including (but not limited to) changes in regulatory requirements, progress in technological developments, stakeholders’ action and reaction, and other external factors that are beyond the Group’s control.</p> <p>As such, our climate change transition plan may be reviewed and updated over time to reflect evolving circumstances and availability of new information.</p>
Scenario analysis	<ul style="list-style-type: none"> <li>• In assessing the potential implications of climate-related risks based on NGFS range of climate scenarios, we also considered alternate range of climate scenarios from the International Energy Agency and the Representative Framework, and made various assumptions adopted in such frameworks.</li> <li>• The scenario analysis performed is dependent on the said assumptions under the NGFS range of scenarios. Key assumptions are as follows:             <ul style="list-style-type: none"> <li>(i) Orderly (Net Zero 2050): Assumes that ambitious climate policies and technological shifts are introduced immediately and forcefully impact the economy.</li> <li>(ii) Hot House World (Current Policies): Assumes that only currently implemented policies are preserved, leading to high physical risks. Emissions grow leading to about 3 °C. Investments allocation and energy mix do not change.</li> </ul> </li> <li>• Constant growth is assumed when assessing the financial and environmental impact.</li> <li>• The scenario analysis includes a modelling process, which is constantly changing as the operating environment evolves, and contains uncertainties and limitations that are commonly associated with scenario analysis.</li> </ul>

# SUSTAINABILITY REPORT

## Appendix 2 GRI Content Index

Statement of use	Multi-Chem Limited has reported in accordance with the GRI Standards for the period 1 January 2025 to 31 December 2025.	
GRI 1 used	GRI 1: Foundation 2021	
Applicable GRI Sector Standard(s)	-	
GRI standard	Disclosure	Location and Omissions
<b>General Disclosures</b>		
GRI 2: General Disclosures 2021	2-1 Organisational details	2-5, 57, 100-102, 121, 132-137, 211-212
	2-2 Entities included in the organisation's sustainability reporting	15
	2-3 Reporting period, frequency and contact point	13, 15-17
	2-4 Restatements of information	13
	2-5 External assurance	15
	2-6 Activities, value chain and other business relationships	3, 14-15, 132-137
	2-7 Employees	15, 29-36
	2-8 Workers who are not employees	None
	2-9 Governance structure and composition	6-7, 17-18
	2-10 Nomination and selection of the highest governance body	78-82
	2-11 Chair of the highest governance body	6-7
	2-12 Role of the highest governance body in overseeing the management of impacts	18, 69
	2-13 Delegation of responsibility for managing impacts	18
	2-14 Role of the highest governance body in sustainability reporting	18
	2-15 Conflicts of interest	69
	2-16 Communication of critical concerns	38-39, 92-95
	2-17 Collective knowledge of the highest governance body	33-36, 69-71
	2-18 Evaluation of the performance of the highest governance body	82
	2-19 Remuneration policies	83-86
	2-20 Process to determine remuneration	83-86
	2-21 Annual total compensation ratio	The Company will not be providing this information due to confidentiality constraints.

# SUSTAINABILITY REPORT

GRI standard	Disclosure	Location and Omissions
<b>General Disclosures</b>		
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	12
	2-23 Policy commitments	17, 38-39
	2-24 Embedding policy commitments	17, 38-39
	2-25 Processes to remediate negative impacts	16-17, 38-39
	2-26 Mechanisms for seeking advice and raising concerns	16-17
	2-27 Compliance with laws and regulations	38-39
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	16-17, 20
	2-30 Collective bargaining agreements	None of our employees are covered by collective bargaining agreements.
	<b>Material Topics</b>	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	17-22
	3-2 List of material topics	20-39
<b>Economic Performance</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	23
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	23
	201-2 Financial implications and other risks and opportunities due to climate change	42-46
	201-3 Defined benefit plan obligations and other retirement plans	-
	201-4 Financial assistance received from government	-
<b>Energy</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	24-29
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	24-29
	302-2 Energy consumption outside of the organisation	24-29
	302-3 Energy intensity	24-29
	302-4 Reduction of energy consumption	24-29
	302-5 Reductions in energy requirements of products and services	Not applicable due to business nature

# SUSTAINABILITY REPORT

GRI standard	Disclosure	Location and Omissions
<b>Water and Effluents</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	29
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	29
	303-2 Management of water discharge-related impacts	Not applicable due to business nature
	303-3 Water withdrawal	29
	303-4 Water discharge	Not applicable due to business nature
	303-5 Water consumption	29
<b>Emissions</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	24-29
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	24-29
	305-2 Energy indirect (Scope 2) GHG emissions	24-29
	305-3 Other indirect (Scope 3) GHG emissions	24-29
	305-4 GHG emissions intensity	24-29
	305-5 Reduction of GHG emissions	24-29
<b>Waste</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	24
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	24
	306-2 Management of significant waste-related impacts	24
	306-3 Waste generated	24
	306-4 Waste diverted from disposal	24
	306-5 Waste directed to disposal	24
<b>Employment</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	29-36
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	34-35
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	30
	401-3 Parental leave	34

# SUSTAINABILITY REPORT

GRI standard	Disclosure	Location and Omissions
<b>Occupational Health and Safety</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	32-33
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	32-33
	403-2 Hazard identification, risk assessment, and incident investigation	32-33
	403-3 Occupational health services	Not applicable due to business nature
	403-4 Worker participation, consultation, and communication on occupational health and safety	Not applicable due to business nature
	403-5 Worker training on occupational health and safety	Not applicable due to business nature
	403-6 Promotion of worker health	32-33
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	32-33
	403-8 Workers covered by an occupational health and safety management system	32-33
	403-9 Work-related injuries	32-33
	403-10 Work-related ill health	32-33
<b>Training and Education</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	33-36
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	33-36
	404-2 Programs for upgrading employee skills and transition assistance programs	33-36
	404-3 Percentage of employees receiving regular performance and career development reviews	33-36
<b>Diversity and Equal Opportunity</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	29-31
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	29-31
	405-2 Ratio of basic salary and remuneration of women to men	The Company will not be providing this information due to confidentiality constraints.

# SUSTAINABILITY REPORT

GRI standard	Disclosure	Location and Omissions
<b>Non-discrimination</b>		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	29-31
<b>Local communities</b>		
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	36-38
	413-2 Operations with significant actual and potential negative impact on local community	36-38

## Appendix 3

### Industry-based Guidance on Implementing Climate-related Disclosure Metrics

The sustainability disclosure metrics are based on the IFRS SDS Industry-Based Guidance for implementing climate-related disclosure (“**Industry-Based Metrics**”) (Volume B6 – Multiline and Specialty Retailers and Distributors) for the consumer goods business segment. The details are as follows:

Table 1. Sustainability Disclosure Topics and Metrics

Topic	Code	Metric	FY2025 response
Energy Management in retail and distribution	CG-MR-130a.1	Total energy consumed	Our total energy consumed is 4,093 GJ. For further details, please refer to section 9.4.
		Percentage grid electricity	Our electricity consumption is 100% drawn from the electricity grid in FY2025.
		Percentage renewable	We do not consume renewable energy in FY2025. We are constantly exploring opportunities to source for clean and/or renewable energy where we operate in.

Table 2. Activity Metrics

Code	Activity metric	FY2025 response
CG-MR-000.A	Number of (1) retail locations and (2) distribution centres	We have 15 office centres. We do not have retail locations.
CG-MR-000.B	Total area of (1) retail space and (2) distribution centres	Our office centres cover approximately 77,112 square meters (m <sup>2</sup> ). We do not have retail locations.

# OPERATIONS REVIEW

## IT Business

The IT sector of the Group under the M.Tech companies has expanded in both product range and geographical coverage since its inception in May 2002.

The Group is selective in taking up new products to remain focused on selling the best-of-breed IT security products and delivering value added services to major systems integrators and resellers in Singapore and the regions. Of the products that it carries, the Group is also the sole distributor for several leading products in selected regions.

The IT Business of the Group currently has a presence in 24 cities in 13 countries and carries internet security products from industry leading vendors.

## PCB Business

Revenue for PCB Business of the Group decreased from \$1.6M in FY2024 to \$425,000 in FY2025, mainly due to closure of the factory in year 2025 and disposal of all mechanical drilling machines in Singapore in year 2024.

# PROSPECTS AND FUTURE PLAN

## IT Business

On a full year basis, revenue in IT business through Singapore and the regional offices decreased by 4.2% year-on-year.

The Group has a focused strategy of selling and promoting only the best-of-breed IT products.

To promote technical competency internally and to train its partners, the Group is able to provide certified IT training through the Education Services Division of M.Tech Products Pte Ltd. This business is complementary to the core IT distribution business and is expected to bring about more awareness and technical knowledge through the courses conducted.

The Group's IT business currently has a presence in 24 cities in 13 countries in the Asia Pacific region. M.Tech offices in countries that are already mature in operations are expected to contribute more to the Group's performance.

The near term outlook in the IT business is dependent on events such as political or economic in nature and such events could affect business in certain markets. With the current inflation, interest rates movements, geo-political conflicts and the tariffs imposed by the US, the global economic outlook remains uncertain which in turn will affect the Group's business. However, IT is still a critical requirement in businesses and security will continue to remain an integral part of the IT infrastructure. This should augur well for the Group's business.

For growth, the Group will focus on its best-of-breed products and will continue to look out for opportunities for regional expansion to deepen our regional operations. The Group will also be selective of the products we carry so as to be able to do the best for the principals that the M.Tech companies represent. The Group will also promote the M.Tech brand name and intends to work closely with key partners to further promote the products.



## PCB Business

On a full year basis, revenue in PCB division decreased by 75.0%. The decrease in revenue was mainly due to closure of the factory in year 2025 and disposal of all mechanical drilling machines in Singapore in year 2024.

## Risk Factors

The Group's primary business risk is in its IT business. In the area of IT business, the Group is subject to risk of reliance on a few key vendors, with respect to their channel strategies, as well as product roadmap. The Group is also exposed to the risks of product obsolescence with respect to the hardware carried. To mitigate such risk, the Group has taken steps to align with the leading names in the IT arena. The Group monitors its inventories on a quarterly basis and will make allowances where necessary.

The Group is also exposed to credit risk from credit sales to resellers. The Group sets the policy to assess the credit risk of new customers before entering contracts and also performs regular review for existing customers. The Group assesses expected credit losses on a quarterly basis.

The Group is also exposed to foreign exchange risks as we transact with our suppliers, vendors and customers in Singapore dollar, United States dollar, Chinese renminbi, Australian dollar, Thailand baht, Malaysian ringgit, Indian rupee, Indonesian rupiah, Taiwan dollar, Hong Kong dollar, Philippines peso, and to a lesser extent, Korean won, Japanese yen, Vietnam dong, New Zealand dollar and Sri Lankan rupee. The Group may, from time to time, enter into borrowing and foreign currency arrangements to reduce its foreign currency exposure. With any volatility in the United States dollar, the Group expects to be exposed to a higher foreign exchange risk against some of the local currencies we collect from the customers.

The Group is also exposed to the political, legal and economic climates of the country in which the Group is operating. Economic and political conditions are still key factors in determining the level of IT spending.

# SIGNIFICANT EVENTS

**1<sup>st</sup>**  
Quarter  
2025

- M.Tech held CNY Lo Hei 2025.

**2<sup>nd</sup>**  
Quarter  
2025

- M.Tech held Security Exchange 2025.

**3<sup>rd</sup>**  
Quarter  
2025

- M.Tech held M.Pro Golf Challenge 2025 in Singapore.

**4<sup>th</sup>**  
Quarter  
2025

- M.Tech participated in GovWare 2025 in Singapore.
- M.Tech held M.Appreciation Night 2025 in Singapore.

# FINANCIAL CALENDAR

25TH APRIL 2025

ANNUAL GENERAL MEETING

8TH AUGUST 2025

ANNOUNCEMENT OF 2025  
HALF YEAR RESULTS

23RD FEBRUARY 2026

ANNOUNCEMENT OF 2025  
FULL YEAR RESULTS

27TH APRIL 2026

ANNUAL GENERAL MEETING

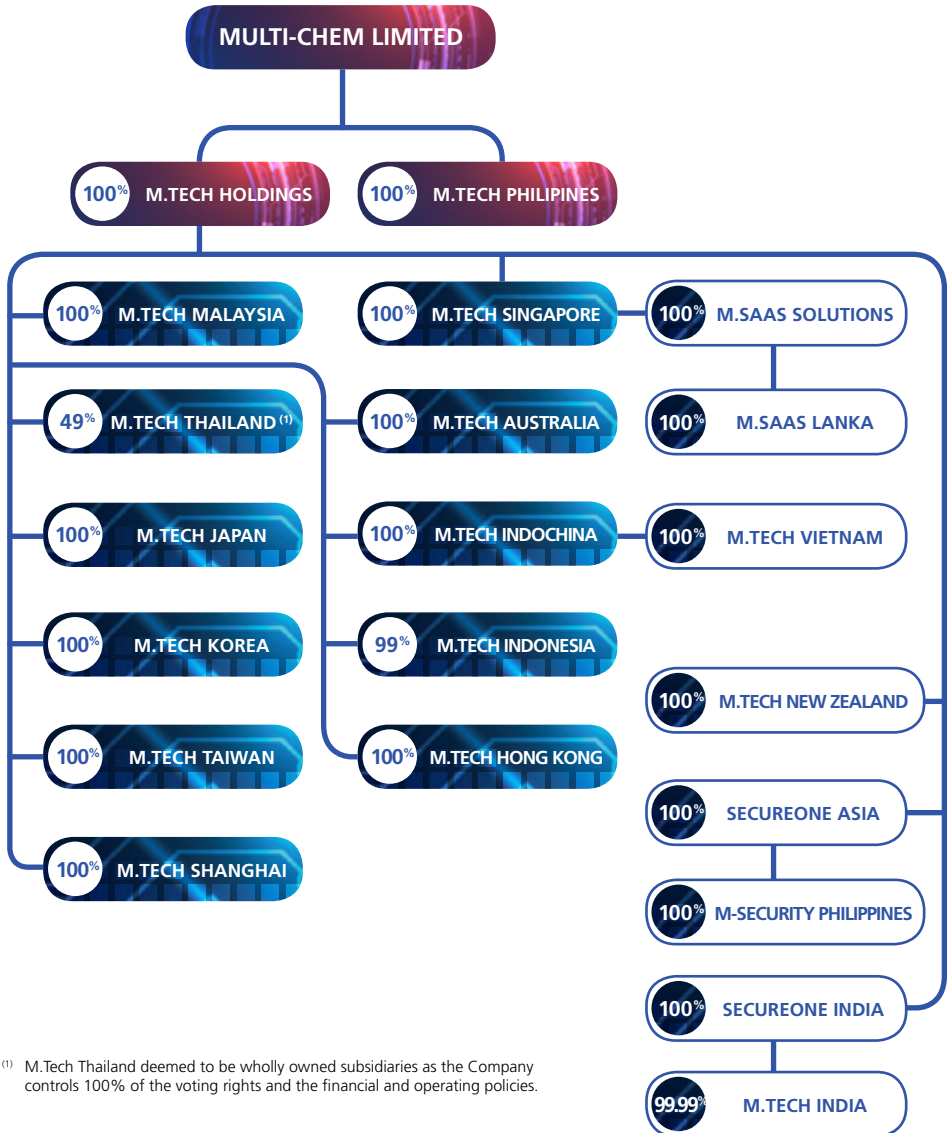
AUGUST 2026

ANNOUNCEMENT OF 2026  
HALF YEAR RESULTS

FEBRUARY 2027

ANNOUNCEMENT OF 2026  
FULL YEAR RESULTS

# GROUP STRUCTURE



<sup>(1)</sup> M.Tech Thailand deemed to be wholly owned subsidiaries as the Company controls 100% of the voting rights and the financial and operating policies.

# FINANCIAL HIGHLIGHTS

## Group Balance Sheet

As At 31 December (\$'000)	2025	2024	2023	2022	2021
Property, plant and equipment	<b>6,916</b>	7,367	8,098	9,019	9,298
Investment in life insurance plan	<b>4,966</b>	5,107	4,813	4,749	4,628
Other non-current assets	<b>37,096</b>	37,798	27,366	21,911	20,709
Current assets	<b>341,360</b>	352,158	341,331	293,623	263,810
Current liabilities	<b>(208,532)</b>	(217,436)	(221,127)	(174,913)	(152,885)
Net current assets	<b>132,828</b>	134,722	120,204	118,710	110,925
Long term borrowings	-	-	-	(417)	(1,500)
Long term trade payables	<b>(21,718)</b>	(22,687)	(9,524)	(11,267)	(8,089)
Deferred tax liabilities	<b>(1,566)</b>	(1,242)	(1,423)	(1,114)	(1,097)
Other non-current liability	<b>(6,276)</b>	(6,857)	(5,330)	(4,495)	(4,674)
	<b>152,246</b>	154,208	144,204	137,096	130,200
Share capital	<b>37,288</b>	37,288	37,288	37,288	37,288
Foreign currency translation account	<b>(6,026)</b>	(465)	(3,589)	(1,644)	(871)
Other reserves	<b>(713)</b>	(1,152)	(1,145)	(977)	(801)
Retained earnings	<b>121,697</b>	118,537	111,650	102,429	94,584
	<b>152,246</b>	154,208	144,204	137,096	130,200

# FINANCIAL HIGHLIGHTS

## Group Profit & Loss

Year Ended (\$'000)	2025	2024	2023	2022	2021
Turnover	<b>653,925</b>	683,684	658,421	616,980	603,640
Gross profit	<b>89,640</b>	97,479	94,791	87,009	85,510
Other income	<b>8,508</b>	7,374	5,235	3,160	4,989
Earnings before interest, tax, depreciation & amortisation (EBITA)	<b>38,147</b>	42,273	39,617	28,668	38,893
Depreciation & amortisation	<b>(1,547)</b>	(1,881)	(2,246)	(2,615)	(2,615)
Interest expense	<b>(3,632)</b>	(1,573)	(843)	(457)	(327)
Profit before income tax (PBT)	<b>32,968</b>	38,819	36,528	25,596	35,951
Income tax expense	<b>(6,529)</b>	(8,001)	(9,405)	(5,599)	(8,617)
Net profit	<b>26,439</b>	30,818	27,123	19,997	27,334
Non-controlling interests	-	-	-	-	(2,375)
Equity holders of the Company	<b>26,439</b>	30,818	27,123	19,997	24,959

## Analysis (%)

Year	2025	2024	2023	2022	2021
Gross profit margin	<b>13.7</b>	14.3	14.4	14.1	14.2
PBT margin	<b>5.0</b>	5.7	5.5	4.1	6.0
Turnover (decrease)/increase	<b>(4.4)</b>	3.8	6.7	2.2	25.8
PBT (decrease)/increase	<b>(15.1)</b>	6.3	42.7	(28.8)	39.2
Net profit (decrease)/increase	<b>(14.2)</b>	13.6	35.6	(26.8)	39.7

# FINANCIAL HIGHLIGHTS

## Per Share Data

(cents, unless otherwise stated)

	2025	2024	2023	2022	2021
Net earnings (basic) <sup>1</sup>	<b>29.35</b>	34.21	30.10	22.20	27.70
Net earnings (fully diluted) <sup>2</sup>	<b>29.35</b>	34.21	30.10	22.20	27.70
Net dividend	<b>31.10</b>	25.30	24.30	17.70	11.10
Net dividend payout (times)	<b>1.06</b>	0.74	0.81	0.80	0.40
Net assets value <sup>3</sup>	<b>168.98</b>	171.16	160.06	152.17	144.51
Gross dividend	<b>31.10</b>	25.30	24.30	17.70	11.10
Gross dividend yield (%) <sup>4</sup>	<b>9.15</b>	9.13	12.46	10.41	6.03

1 Numbers of shares used in the above computation (M)

90.1

90.1

90.1

90.1

90.1

2 Numbers of shares used in the above computation (M)

90.1

90.1

90.1

90.1

90.1

3 Numbers of shares used in the above computation (M)

90.1

90.1

90.1

90.1

90.1

4 Based on the closing share price as at the last market day of the year

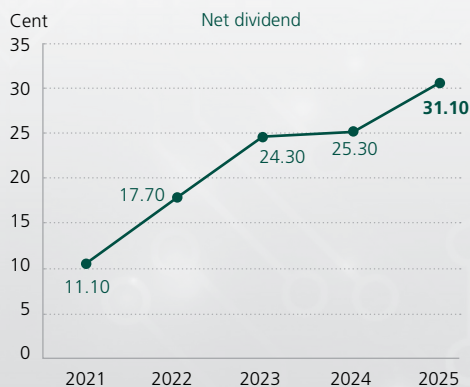
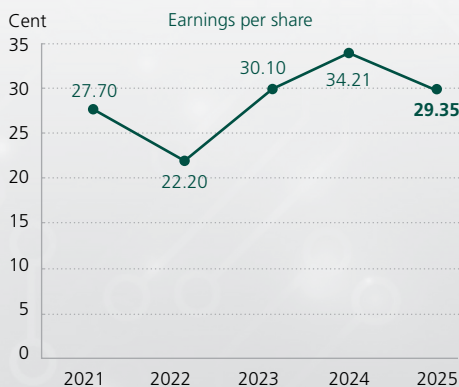
340.0

277.0

195.0

170.0

184.0



## Financial Ratios

	2025	2024	2023	2022	2021
Current ratio (times)	<b>1.64</b>	1.62	1.54	1.68	1.73
Return on shareholder's funds (%)	<b>17.37</b>	19.98	18.81	14.59	19.17
Return on assets employed (%)	<b>6.77</b>	7.66	7.11	6.07	8.36
Debt equity ratio	<b>0.00</b>	0.00	0.01	0.01	0.02
Debt interest cover	<b>10.50</b>	26.87	24.32	19.68	47.03

## Segmental Information

### By Business Segments

Year Ended (\$'000)	PCB Business		IT Business		Total	
	2025	2024	2025	2024	2025	2024
Turnover						
1st Quarter	<b>267</b>	456	<b>166,264</b>	178,698	<b>166,531</b>	179,154
2nd Quarter	<b>58</b>	334	<b>134,383</b>	163,045	<b>134,441</b>	163,379
3rd Quarter	<b>47</b>	396	<b>170,989</b>	172,882	<b>171,036</b>	173,278
4th Quarter	<b>53</b>	434	<b>181,864</b>	167,439	<b>181,917</b>	167,873
	<b>425</b>	1,620	<b>653,500</b>	682,064	<b>653,925</b>	683,684
Segment results						
1st Quarter	<b>4,273</b>	5,060	<b>5,567</b>	6,773	<b>9,840</b>	11,833
2nd Quarter	<b>(3,649)</b>	(1,840)	<b>10,864</b>	10,826	<b>7,215</b>	8,986
3rd Quarter	<b>(1,049)</b>	(4,211)	<b>9,439</b>	13,500	<b>8,390</b>	9,289
4th Quarter	<b>(1,521)</b>	992	<b>9,044</b>	7,719	<b>7,523</b>	8,711
	<b>(1,946)</b>	1	<b>34,914</b>	38,818	<b>32,968</b>	38,819

### By Geographical Segments

Year Ended (\$'000)	Singapore		Greater China		India		Vietnam		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
1st Quarter	<b>79,897</b>	86,698	<b>13,524</b>	6,957	<b>7,921</b>	16,131	<b>24,832</b>	24,401	<b>40,357</b>	44,967	<b>166,531</b>	179,154
2nd Quarter	<b>57,569</b>	76,318	<b>8,403</b>	6,094	<b>6,522</b>	17,136	<b>23,295</b>	17,921	<b>38,652</b>	45,910	<b>134,441</b>	163,379
3rd Quarter	<b>74,326</b>	70,589	<b>10,724</b>	12,261	<b>7,981</b>	22,995	<b>28,093</b>	20,639	<b>49,912</b>	46,794	<b>171,036</b>	173,278
4th Quarter	<b>77,028</b>	70,407	<b>11,126</b>	13,605	<b>12,853</b>	11,875	<b>32,287</b>	31,052	<b>48,623</b>	40,934	<b>181,917</b>	167,873
	<b>288,820</b>	304,012	<b>43,777</b>	38,917	<b>35,277</b>	68,137	<b>108,507</b>	94,013	<b>177,544</b>	178,605	<b>653,925</b>	683,684

# FINANCIAL REVIEW

## Revenue

The Group achieved revenue of \$352.9m for the six months ended 31 December 2025 ("2H2025"), an increase of 3.4% or \$11.7m compared to the revenue of \$341.2m for the six months ended 31 December 2024 ("2H2024"). For the twelve months ended 31 December 2025 ("12M2025"), the Group achieved revenue of \$653.9m, a year-on-

year decrease of 4.4% or \$29.8m, compared to revenue of \$683.7m achieved for the twelve months ended 31 December 2024 ("12M2024").

Comparing 2H2025 to 1H2025, revenue increased by 17.2% or \$51.9m, from \$301.0m in 1H2025 to \$352.9m in 2H2025.



# FINANCIAL REVIEW

## IT Business

The IT Distribution business achieved revenue of \$352.8m in 2H2025, an increase of 3.6% or \$12.4m, from \$340.4m in 2H2024. On a twelve months basis, the revenue in this division decreased by 4.2% or \$28.6m, from \$682.1m in 12M2024 to \$653.5m in 12M2025.

Comparing 2H2025 to 1H2025, revenue increased by 17.3% or \$52.1m, from \$300.7m in 1H2025 to \$352.8m in 2H2025.

The decrease in revenue for 12M2025 was mainly due to lower sales volume during 12M2025 and the depreciation of United States dollar ("USD") against Singapore dollar ("SGD") which impacted on USD-denominated transactions in 12M2025.

## PCB Business

Revenue in this Division decreased by 88.0% or \$730,000, from \$830,000 in 2H2024 to \$100,000 in 2H2025. On a twelve months basis, revenue in this division decreased by 75.0% or \$1.2m, from \$1.6m in 12M2024 to \$425,000 in 12M2025. The decrease in revenue was mainly due to closure of the factory in year 2025 and disposal of all mechanical drilling machines in Singapore in year 2024.

Comparing 2H2025 to 1H2025, revenue in this Division decreased by 69.2% or \$225,000, from \$325,000 in 1H2025 to \$100,000 in 2H2025.

## Profit Before Tax ("PBT")

The Group registered a PBT of \$15.9m in 2H2025, as compared to \$18.0m in 2H2024.

The decrease in PBT was mainly due to the following:

- (1) A decrease in gross profit by \$382,000 mainly due to the increase in allowance for inventory obsolescence based on the review of inventory obsolescence performed as at 31 December 2025 and the increase in inventories written off, offset by the increase in revenue;
- (2) A decrease in interest income by \$371,000 from \$3.2m in 2H2024 to \$2.8m in 2H2025,

mainly due to the decrease in interest income for the time value of money associated with the contractual terms of trade receivables in 2H2025;

- (3) Net foreign exchange loss of \$16,000 in 2H2025, as compared to net foreign exchange gain of \$243,000 in 2H2024 mainly due to the depreciation of United States dollar against Singapore dollar and local currencies in 2H2025. Excluding net foreign exchange differences, the Group reported a PBT of \$15.9m in 2H2025, compared to a PBT of \$17.8m in 2H2024;
- (4) A decrease in other gains of \$214,000 from \$570,000 in 2H2024 to \$356,000 in 2H2025 mainly due to China government financial subsidies received in 2H2024 and 1H2025 respectively;
- (5) An increase in staff costs by \$234,000 in 2H2025 as compared to 2H2024 mainly due to the increase in headcount and salary increments;
- (6) An increase in loss allowance on third party trade receivables and contract assets of \$946,000 from \$38,000 in 2H2024 to \$984,000 in 2H2025, based on the impairment review performed as at 31 December 2025 in accordance to SFRS(I) 9; and
- (7) An increase in finance costs by \$559,000 mainly due to the increase in interest expense for the time value of money associated with the contractual terms of trade payables.

The decrease in PBT was however offset by the following:

- (1) A decrease in marketing and promotion expenses by \$514,000 in 2H2025 as compared to 2H2024 mainly due to decrease in marketing events and promotion activities; and
- (2) A decrease in profit share by \$373,000 in 2H2025 as compared to 2H2024 mainly due to the decrease in PBT.

# FINANCIAL REVIEW

## Profit After Tax ("PAT")

In 2H2025, the Group achieved PAT of \$12.2m as compared to \$14.4m in 2H2024, mainly due to the decrease in PBT.

Comparing 2H2025 to 1H2025, Group PAT decreased by 14.1% or \$2.0m, from a profit after tax of \$14.2m in 1H2025 to a profit of \$12.2m in 2H2025. The decrease was mainly due to the decrease in PBT and increase in income tax expenses for entities with higher taxable profit generated in 2H2025 as compared to 1H2025.

Income tax expense comprised mainly current income tax, deferred tax and withholding tax expenses of the Group.

## Statements Of Financial Position Review

Presented below is a review of material changes in the key statements of financial position items as at 31 December 2025 compared to 31 December 2024.

Property, plant and equipment decreased by \$451,000 at the Group level mainly due to depreciation charge, disposal of plant and equipment and plant and equipment written off, net of purchases of plant and equipment in 12M2025. At the Company level, property, plant and equipment increased by \$5,000 due to purchase of plant and equipment, net of depreciation charge, disposal of plant and equipment and plant and equipment written off in 12M2025.

Right-of-use assets decreased by \$544,000 at the Group level mainly due to depreciation charge and lease termination, net of new long-term leases capitalised in 12M2025. At Company level, right-of-use assets decreased by \$89,000 due to depreciation charge and lease termination in 12M2025.

Deferred tax assets increased by \$1.1m at the Group level mainly due to increased deductible temporary difference in 12M2025 which the related tax benefits could be

realised through future taxable profits. At Company level, deferred tax assets increased by \$12,000 from \$Nil to \$12,000.

Trade and other receivables of the Group decreased by \$9.7m from \$209.4m to \$199.7m, mainly due to decrease in revenue in 12M2025. At the Company level, trade and other receivables decreased by \$1.0m from \$37.4m to \$36.4m mainly due to decrease in revenue and repayment from a subsidiary, net of advances and expenses charged to a subsidiary.

Inventories at the Group level decreased by \$15.7m from \$75.9m to \$60.2m mainly due to improved inventory turnover. At the Company level, inventories decreased by \$136,000 from \$150,000 to \$14,000.

Contract assets decreased by \$719,000 from \$2.3m to \$1.6m at the Group level mainly due to billings issued and decrease in revenue in 12M2025. There was no contract asset at the Company level.

Prepayments at the Group level decreased by \$722,000 from \$2.2m to \$1.5m mainly due to realisation of prepayments as expenses in 12M2025. Prepayments at Company level increased by \$42,000 from \$89,000 to \$131,000.

Current income tax recoverable decreased by \$824,000 from \$6.7m to \$5.9m at the Group level mainly due to tax refund received in 12M2025. There was no current income tax recoverable at the Company level.

Cash and cash equivalents at the Group level increased by \$15.7m from \$83.8m to \$99.5m. The increase was mainly due to increase in cash generated from operations, decrease in income tax paid and decrease in dividends paid to shareholders. At the Company level, cash and cash equivalents increased by \$7.5m from \$12.8m to \$20.3m mainly due to dividend received and repayment from

## FINANCIAL REVIEW

a subsidiary, offset by dividends paid to shareholders and advances to a subsidiary.

Trade and other payables decreased by \$11.9m from \$184.2m to \$172.3m at the Group level mainly due to decreased purchases corresponding with the decrease in revenue in Year 2025 and decrease in accrued operating expenses in Year 2025. At the Company level, trade and other payables decreased by \$1.2m from \$7.9m to \$6.7m mainly due to decrease in accrued operating expenses in Year 2025.

Contract liabilities increased by \$918,000 from \$28.6m to \$29.5m at the Group level mainly due to increase in advance billings and rebate to customers, net of decrease in deferred revenue.

Provision for post-sales technical support is based on the volumes of IT products sold along with the utilisation trend for the past three financial years to establish an estimate of the costs to resolve various potential post sales technical support requests from customers. Provision for post-sales technical support increased by \$1.6m from \$25.2m to 26.8m at the Group level mainly due to the increase in utilisation rate despite of the decrease in revenue in Year 2025.

Lease liabilities decreased by \$748,000 from \$2.2m to \$1.4m at the Group level mainly due to lease payments made and lease termination, net of new long-term leases capitalised in 12M2025. At the Company level, lease liabilities decreased by \$100,000 from \$100,000 to \$Nil due to lease payments made and lease termination.

Foreign currency translation account increased by \$5.5m from \$465,000 to \$6.0m at the Group level mainly due to depreciation of United States dollar against Singapore dollar.

### Indebtedness

The amount of Group's borrowings is as set out below:

Year Ended (\$'000)	2025	2024
<b>Due within 1 year:</b>		
Bank borrowings	-	-
<b>Due after 1 year:</b>		
Bank borrowings	-	-
<b>Total debt</b>	-	-
Debt equity ratio	<b>0.00</b>	0.00
Debt interest cover	<b>10.50</b>	26.87

Working capital of the Group stood at \$132.8M and \$134.7M as at 31 December 2025 and 31 December 2024 respectively. The decrease was mainly due to the decrease in inventories, trade and other receivables, contract assets, and current income tax recoverable and increase in contract liabilities and provision for post-sales technical support, net of the increase in cash and bank balances and decrease in trade and other payables and current income tax payables.

At the Company level, working capital stood at \$49.7M and \$42.4M as at 31 December 2025 and 31 December 2024 respectively. Current assets at the Company level as at 31 December 2025 comprised mainly trade and other receivables of \$36.4M, and this decreased by 2.8% from \$37.4M as at 31 December 2024 mainly due to decrease in revenue and repayment from a subsidiary, net of advances and expenses charged to a subsidiary. Cash and bank balances increased by \$7.5M from \$12.8M as at 31 December 2024 to \$20.3M as at 31 December 2025 mainly due to dividend received and repayment from a subsidiary, offset by dividends paid to shareholders and advances to a subsidiary. Current liabilities comprised mainly trade and other payables.

# FINANCIAL REVIEW

## Cash Flow Analysis

The movement in cash and cash equivalents is set out as follows:

Year Ended (\$'000)	2025	2024
Cash flows generated from operating activities	<b>45,798</b>	36,637
Cash flows (used in)/generated from investing activities	<b>(521)</b>	128
Cash flows used in financing activities	<b>(25,689)</b>	(27,285)
Net increase in cash and cash equivalents	<b>19,588</b>	9,480
Cash and cash equivalents at beginning of the financial year	<b>83,771</b>	72,999
Effect of exchange rate changes on cash and cash equivalents	<b>(3,914)</b>	1,292
Cash and cash equivalents at end of the financial year	<b>99,445</b>	83,771

Net cash of \$45.8m was generated from operating activities in 12M2025, as compared to net cash of \$36.6m generated in 12M2024. This was mainly due to decrease in trade and other receivables and income tax paid.

Net cash of \$521,000 was used in investing activities in 12M2025, as compared to net cash of \$128,000 generated from investing activities in 12M2024. The change was mainly due to purchase of plant and equipment of \$382,000 and additions to right-of-use assets of \$216,000, net of proceeds from disposal of plant and equipment of \$77,000 in 12M2025, as compared to proceeds from disposal of plant and equipment of \$646,000, net of purchase of plant and equipment of \$518,000 in 12M2024.

Net cash of \$25.7m was used in financing activities in 12M2025, as compared to net cash of \$27.3m used in 12M2024. This was mainly due to dividends paid of \$22.8m, repayment of lease liabilities of \$782,000 and payment of interest of \$2.1m in 12M2025 mainly for the time value of money associated with the contractual terms of trade payables, as compared to dividends paid of \$24.0m, repayment of bank borrowings of \$780,000, repayment of lease liabilities of \$967,000 and payment of interest of \$1.6m in 12M2024 mainly for the time value of money associated with the contractual terms of trade payables.

Cash and cash equivalents stood at \$99.4m as at 31 December 2025, up from \$83.8m as at 31 December 2024.

## VALUE ADDED STATEMENT

Year Ended	2025	2024
	\$'000	\$'000
Sales	653,925	683,684
Purchase of goods & services	(583,330)	(601,478)
<b>Gross value added from operations</b>	<b>70,595</b>	82,206
Other operating income	8,508	7,150
Exchange (loss)/gain	(687)	224
<b>Total value added</b>	<b>78,416</b>	89,580
<b>Distribution:</b>		
To employees in salaries & other staff related costs	40,269	47,307
To government in corporate and other taxes	6,529	8,001
To providers of capital		
– Finance costs	3,632	1,573
Retained in the business		
– Depreciation and amortisation	1,547	1,881
– Non-controlling interests	-	-
– Retained earnings	26,439	30,818
<b>Total distribution</b>	<b>78,416</b>	89,580
<b>Productivity Data</b>		
Average numbers of employees	684	695
Sales per employee (\$'000)	956	984
Value added per employee (\$'000)	115	129
Value added per \$ employment cost	1.95	1.89
Value added per \$ net sales	0.12	0.13

# INVESTOR RELATIONS

**Multi-Chem recognises the importance of good investor relations and has made positive strides in this area. The Company has been keeping shareholders and the investing community updated on the key developments of the Group through regular announcements on SGXNET.**

Multi-Chem has always made efforts to announce our results early. With the revised risk-based framework announced by Singapore Exchange Regulation which is effective on 7 February 2020, the Company announces its half yearly results to provide investors prompt half yearly updates of financial and business development of the Group.

The Company has its own corporate website [www.multichem.com.sg](http://www.multichem.com.sg) while its IT security arm has its own website [www.mtechpro.com](http://www.mtechpro.com) to provide information on its products and services.

The Company will respond within two working days to all calls and emails requesting for information.

Investors are encouraged to refer to the investor guides on SGX website in regards to how to read annual reports and how to prepare for Annual General Meeting.

We will continue to place emphasis on good investor relations and make efforts on improving the information flow so that awareness about the Group and its business can be built.

# CORPORATE GOVERNANCE REPORT

Corporate governance refers to the processes and structure by which the business and affairs of the Company are directed and managed. The Board recognises that sound corporate governance is an essential part of good business practices and corporate accountability. For the financial year ended 31 December 2025, the Company has adhered to the core of principles of the Code of Corporate Governance 2018 ("**2018 Code**") for its corporate governance practices. To the extent the Company's practices may vary from any Provisions of the 2018 Code, the Company will explain how its practices are consistent with the intent of the relevant Principles of the 2018 Code.

## BOARD MATTERS

### The Board's Conduct of Affairs

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

#### *Provision 1.1 – Principal functions of the Board*

The Company is led by the Board of Directors who is responsible for setting the Group's strategic vision, direction and long-term goals, for management and internal control, for approval of major projects and significant financing matters, and approval of the release of half yearly financial results reports, after the Company is no longer required to release its financial statements on a quarterly basis.

The Board provides entrepreneurial leadership, establishes effective controls to assess and manage risks as well as safeguarding shareholders' interests and Company's assets, identify key stakeholder groups and recognise their perceptions affect the Company's reputation, set Company's values and standards and consider sustainability issues as part of its strategic formulation. The Board works closely with the management and reviews management performance for the long-term success of the Company. Directors are fiduciaries who make objective decisions in the best interests of the Company and keep Management accountable for performance. Directors monitor Management through various mechanisms in the form of policies established to address risk management and internal controls, develop organisational culture, share conduct and ethics with appropriate tone-from-the-top through conversations in each of the meetings attended by key management personnel and Directors. Should any conflict of interest arise during the meeting, the particular Director facing conflicts of interest is to disclose his/her interest and recuse from the meeting after providing his/her views.

All Directors have objectively discharged their duties and responsibilities at all times as fiduciaries in the interests of the Company for the financial year ended 31 December 2025.

# CORPORATE GOVERNANCE REPORT

## *Provision 1.2 – Directors’ orientation and training*

The Board has approved an annual training budget for each Director to attend relevant training and professional development programmes. Directors are encouraged to attend programmes organised by the Accounting and Corporate Regulatory Authority and the Singapore Institute of Directors. Each Director will determine the courses best suited to that Director to develop relevant competencies for effective discharge of duties as a Director. During the year, the Board was briefed and updated on the latest changes to the Listing Manual requirements by the Company Secretary, developments in accounting by the external auditor, updates on internal controls from the internal auditor and business development from the Chief Executive Officer (“CEO”). The Board also receives relevant updates, if required, on changes in the business environment, relevant new laws, regulations and changing commercial risk.

Any newly appointed Director will be given briefings on the business activities of the Group, its strategic directions, governance practices and Director’s duties and obligations. He/she will be given the opportunity to visit the Group’s operational facilities to gain a better understanding of the Group’s business operations. Upon appointment of a Director, the Company provides a formal letter of appointment to the Director. Where the Company appoints a new Director who does not have any prior experience as a Director of a listed company, the new appointee would be required to attend the Listed Entity Director (LED) Programme conducted by the Singapore Institute of Directors. No new Director was appointed in 2025.

Directors are apprised on the business and operations of the Group in the quarterly update by the Executive Directors and key management personnel allowing Independent Directors to understand strategic direction of the Group.

# CORPORATE GOVERNANCE REPORT

## *Provision 1.3 – Matters requiring Board's approval*

### *Provision 1.4 – Delegation by the Board*

Matters that are reserved for the Board include board policy decisions, material acquisitions and disposals of assets, nomination and approval for appointment of Directors, announceable matters to the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), proposal of dividends, approval of Statement by Directors and audited financial statements, corporate or financial restructuring and other significant corporate actions. In addition to physical meetings, written resolutions are on occasion also circulated to the Directors for approval.

Board's approval has to be sought for transactions not in the ordinary course of business if any such transaction exceeds S\$2.0M in value. To facilitate operational efficiency, Board approval would not be required for day-to-day decisions and matters that are operational in nature, even though such single transaction may exceed S\$2.0M in value. These matters requiring board approval has been put in writing and communicated to Management.

The Board has delegated certain functions to various Board committees, namely the Audit and Risk Management Committee ("**ARMC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**"). Each of the Committees has written terms of reference with authority to examine particular issues and report to the Board with their recommendations. The ultimate responsibility for final decision on all matters lies with the Board. The effectiveness of each Board Committee will be constantly reviewed by the Board.

### *Provision 1.5 – Board meetings, attendance and multiple commitments*

The Board meets at least once on a quarterly basis to receive update from Management. Where circumstances require, the Board will arrange for telephonic and videoconference meetings. Minutes of all Board Committees and Board meetings are circulated to its members for review and confirmation. These minutes enable Directors to be kept abreast of matters discussed at such meetings. Matters arising from each meeting will be followed-up and reported to the Board. Additional meetings may be convened on ad-hoc basis, as necessary, from time to time. Where appropriate, Directors made decisions by passing resolutions in writing as if it had been passed at the Directors' meeting. The number of Board meetings held in FY2025 and attendance of every Director at the Board meetings and respective Board Committees meetings are disclosed as follows:

# CORPORATE GOVERNANCE REPORT

Name of Director	Board		ARMC		RC		NC	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Chong Teck Sin (Chairman, Independent Non-Executive Director)	2	2	2	2	1	1	1	1
Foo Suan Sai (Chief Executive Officer)	2	2	–	–	–	–	1	1
Han Juat Hoon (Chief Operating Officer)	2	2	–	–	–	–	–	–
Foo Fang Yong (Executive Director)	2	2	–	–	–	–	–	–
Chan Wan Hong (Independent Non-Executive Director)	2	2	2	2	1	1	1	1
Neo Bock Cheng (Independent Non-Executive Director)	2	2	2	2	1	1	1	1

# CORPORATE GOVERNANCE REPORT

The Board is satisfied that the Directors have devoted sufficient time and attention to the affairs of the Company. Although some of the Directors have multiple board representations, the Board is of the view that they widen the experience of the Board and give it a broader perspective. Details of the other principal commitments of the Directors are set out in the Board of Directors section of this Annual Report.

## *Provision 1.6 – Access to information*

Timely communication with members of the Board is effected through electronic means which include electronic mail and teleconferencing. Directors can request information from Management and would be provided with such additional information, as needed. Management circulates reports relating to operational and financial performance of the Group and Company prior to the Board meetings with complete, adequate and timely information and on an ongoing basis. Information provided includes internal financial statements, budgets and forecasts with explanation for any material variances. The information enables Directors to engage in meaningful discussions to make informed decisions. Additional reports are also available upon request. Monthly management accounts are also provided to the Directors.

## *Provision 1.7 – Access to Management, Company Secretary and External Advisers*

A calendar of meetings is scheduled for the Board at the beginning of the year. All Directors have unrestricted access to the Group's records and information. The Directors have also been provided with the phone numbers and email particulars of the key management personnel and Company Secretary for separate and independent access. The Company Secretary works with the Chairman of the Board and Board Committees in preparing the agenda for meetings and/or reviewing the relevance of the items in the proposed agenda. The role of the Company Secretary includes responsibility for ensuring Board procedures are followed and that applicable rules and regulations, including requirements of the Companies Act 1967 (the "**Act**") and the Listing Manual of the SGX-ST ("**Listing Manual**") are complied with and provides the Board with regular updates of the latest governance and listing policies. The Company Secretary or representative attends all Board and Board Committees Meetings. Under the Constitution of the Company, the decision to appoint or remove the Company Secretary can only be taken by the Board as a whole.

## **Board Composition and Guidance**

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

### *Provision 2.1 – Board Independence*

### *Provision 2.2 - Majority Independent Directors where Chairman is not independent*

### *Provision 2.3 - Majority Non-Executive Directors in a Board*

As at end of FY2025, the Board consists of six members, out of whom three are non-executive and independent Directors. Independent Directors made up one-half of the Board. As Chairman of the Board is independent, Independent Directors is not required to make up a majority of the Board.

# CORPORATE GOVERNANCE REPORT

The role of the non-executive directors (including independent directors) includes constructively challenging and provide independent perspectives and contribute and help to develop proposals on strategy, and review the performance of Management in meeting the agreed goals and objectives and monitoring the performance. With all members of ARMC and RC as well as most of the members of NC are independent directors, the Board believes that there are sufficient independent elements and adequate safeguards without undue influence, from the executive directors, to allow for effective Board oversight. Meanwhile, the executive directors are, founders and their immediate family member, deeply involved in operations and strategic direction and possess extensive expertise, vision, and experience to provide the necessary leadership. The executive directors act with high degree of responsibility and accountability. Although non-executive directors did not make up a majority of the Board, the current Board composition provides effective oversight, strategic guidance and protect the interests of shareholders and stakeholders.

The independence of each Director is reviewed annually by the NC. The criterion of independence is determined based on the guidelines and definition provided in the 2018 Code and Listing Manual. An independent director represents the minority shareholders and one who is independent in conduct, character and able to exercise independent business judgement in the best interests of the Company and has no relationships with the Company, related corporations, its substantial shareholders or officers, management and/or companies within the Group. The Board is able to exercise independent judgement on corporate affairs and provide management with a diverse and objective perspective on issues. The NC considers the following while reviewing the independence of Directors:–

1. Whether a Director, or a Director whose immediate family member, in the current or immediate past financial year, provided to or received from the Company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services), other than compensation for board service. Payments aggregated over any financial year in excess of S\$50,000 should generally be deemed significant.
2. Whether a Director, or a Director whose immediate family member, in the current or immediate past financial year, is or was, a substantial shareholder or a partner in (with 5% or more stake), or an executive officer of, or a Director of, any organisation which provided to or received from the Company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services). Payments aggregated over any financial year in excess of S\$200,000 should generally be deemed significant irrespective of whether they constitute a significant portion of the revenue of the organisation in question.
3. Whether a Director is or has been directly associated with a substantial shareholder of the Company, in the current or immediate past financial year.

# CORPORATE GOVERNANCE REPORT

The Board reviewed independence of Directors annually based on Rule 210(5)(d) of the Listing Manual which sets out the specific circumstances in which a Director should be deemed non-independent. These circumstances include:

- (a) a Director who is being employed by the Company or any of its related corporations for the current or any of the past three financial years;
- (b) a Director who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC; or
- (c) if he/she has been a Director for an aggregate period of more than nine years (whether before or after listing) which such Director may continue to be considered independent until the conclusion of the next annual general meeting.

The NC also reviewed the declaration of independence of each Director and was satisfied that all Independent Directors were considered independent for the purpose of Provision 2.1 of the 2018 Code and Rule 210(5)(d) of the Listing Manual. The Independent Directors do not have any relationship with the Company, related corporations, its substantial shareholders or officers. The Independent Directors are not employees of any company within the Group and they bring diverse experience to the Company's decision-making process. Apart from receiving Director's fees, they do not have any other material pecuniary relationship or transactions with companies within the Group or the management, which in the judgement of the Board may affect their independence of judgement.

The NC and the Board have determined that Mr Chong Teck Sin, Mr Chan Wan Hong and Mr Neo Bock Cheng remained objective and independent-minded in Board deliberations during FY2025. Their vast experience, expertise and industry knowledge enabled them to provide the Board and the various Board Committees on which he serves, with pertinent experience and competence to facilitate sound decision-making and act in the best interests of the Company. More importantly, the Board trusts that they are able to continue to discharge their duties independently with integrity and competency. The Board is of the view that all Independent Directors remain independent in the exercise of their judgement on Board matters.

The Board is of the view that an effective blend of skills, experiences and knowledge in areas identified by the Board should remain a priority. It is imperative to construct a quality board based on caliber, breadth of perspective and chemistry that allow effective execution of corporate governance and strategic oversight. This would facilitate decision-making for generating long-term values to various stakeholders.

# CORPORATE GOVERNANCE REPORT

## *Provision 2.4 - Board composition and diversity*

As at end of FY2025, the Board comprised six (6) Directors as follow:

Chong Teck Sin - Chairman, Independent Non-Executive Director  
Foo Suan Sai - Chief Executive Officer  
Han Juat Hoon - Chief Operating Officer  
Foo Fang Yong - Executive Director  
Chan Wan Hong - Independent Non-Executive Director  
Neo Bock Cheng - Independent Non-Executive Director

The Board has adopted a Board Diversity Policy and works towards implementing the objectives of a diverse Board to enhance its performance and work towards its long-term objectives. A diverse Board will enhance the decision-making process of the Board through perspectives derived from the various skills, industry and business experiences, gender, age, tenures of service and other distinctive qualities of the Directors.

Among the core diversity characteristics are gender and Board comprises directors with range of skills and knowledge with experiences in different industry. Currently, the Board has one female Director who actively participates in discussions. The NC will intentionally include female candidates in the search for board candidate and is committed to advance female candidates, who meet the required skills and experiences, for appointment as a Director. The Board has not set a specific target for gender diversity. Instead, it remains focused on ensuring that Board appointments are based on merit, with candidates evaluated on the relevance of their knowledge, experience, and competencies to support the Group's long-term strategic objectives. The Board believes that this approach ensures a balanced and effective Board composition that is aligned with the Group's governance principles and overall sustainability goals.

The next diversity characteristics are diversity in terms of skills and knowledge with experiences in different industries. In 2025, the Board comprised Directors who come from various professions. These include accounting or finance, legal, business or management experience and engineering. The Board aims to maintain diversity in terms of skills and knowledge and will review accordingly based on the long-term strategic direction of the Group. Specific expertise and experience of Directors are set out in the Board of Directors section.

Diversity in the average tenure of service for independent Directors contribute to diversity of thought allowing decisions made in the best interests of the Company as the Board had sought to strike an appropriate balance between tenure of service, continuity of experience and refreshment of the Board. The Board continually reviews the tenure profile of its Directors to ensure an appropriate balance between experience, continuity, and diversity of thought. A balanced tenure mix strengthens the Board's deliberations and supports decision-making that remains objective, well-informed, and aligned with the best interests of the Company. The Board will keep a focus on qualifications, experience and capabilities. The final selection was made in a fair and non-discriminatory manner. The final selection was made in a fair and non-discriminatory manner.

The Board is of the view there is an appropriate balance and diversity of skills, experience, gender and age. Apart from the diversity of skills and experiences, the Board is also not uni-gender.

# CORPORATE GOVERNANCE REPORT

## *Provision 2.5 – Meeting of Non-Executive Directors and/or Independent Directors without Management*

The Board acknowledges the important contribution of non-executive Directors. Non-executive Directors are independent of the management and business or other relationships which could materially interfere with the exercise of independent judgement. Non-executive Directors constantly challenge and provide a different perspective or wider view of external factors affecting the Company and its business environment. Non-executive Directors also review the performance of management, especially relating to the progress of achieving agreed goals and objectives and monitor the reporting of performance to the Board. In FY2025, the non-executive Directors led by the Independent Chairman have met (without the presence of Management) on several occasions.

Key information regarding the Directors' academic and professional qualifications and other appointments is set out on the Board of Directors section of the Annual Report.

## **Chairman and Chief Executive Officer (“CEO”)**

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

### *Provision 3.1 – Separation of the role of the Chairman and the CEO*

### *Provision 3.2 – Role of the Chairman and the CEO*

The roles of Chairman and CEO are separated. The Chairman of the Company is Mr Chong Teck Sin who is an Independent Director while Mr Foo Suan Sai is the CEO.

The role as Chairman of the Board includes:

- Scheduling of meetings that enable the Board to perform its duties while not interfering with the flow of the Company's operations;
- Setting meeting agenda;
- Exercising control over quality, quantity and timeliness of the flow of information between Management and the Board;
- Assisting in ensuring compliance with the Company's guidelines on corporate governance; and
- Encouraging constructive relations between executive Directors and non-executive Directors and facilitating the effective contribution of non-executive Directors in particular.

The CEO, Mr Foo Suan Sai manages the business of the Company, sets business strategies and direction for the Group and implements the Board's decisions. Mr Foo Suan Sai also provides business updates to the Board and shares strategy and goals. As CEO, Mr Foo Suan Sai is responsible for succession planning for key management personnel.

# CORPORATE GOVERNANCE REPORT

The Board had established in writing the division of responsibilities between the Chairman and the CEO.

The Chairman is independent with each Board Committee chaired and led by an Independent Director. There is a balance of power and authority in the Board. Independent Directors met regularly without the presence of other Directors. Independent Directors are available to shareholders where they have concerns and for which contact through the normal channels of communication with the Management has failed to resolve or for issues where such contact is inappropriate or inadequate.

## *Provision 3.3 – Lead Independent Director*

As there is clear separation in the roles of Chairman (who is an Independent Director) and CEO, to preserve effective corporate governance, the appointment of a Lead Independent Director is not necessary.

## **Board Membership**

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

## *Provisions 4.1 and 4.2 – Roles and composition of the NC*

Board membership is under the purview of NC which comprises Mr Chan Wan Hong as Chairman. Mr Chong Teck Sin, Mr Neo Bock Cheng and Mr Foo Suan Sai are members of NC as at end of FY2025. A majority of the NC is non-executive and independent, including the NC Chairman.

The NC has written terms of reference that describe its objectives, duties and responsibilities. The objective of the NC is to maintain an effective Board and to ensure that only competent individuals capable of contributing to the success of the Company are appointed. The NC's main functions as defined in the written terms of reference are as follows:

- (a) make recommendations to the Board on all board appointments;
- (b) assess the effectiveness of the Board as a whole and the effectiveness and contribution of each Director to the Board;
- (c) determine annually whether or not a Director is independent;
- (d) recommend of re-nomination and re-election of Directors;
- (e) review of training and professional development programmes for the Board and its Directors; and
- (f) review of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel.

# CORPORATE GOVERNANCE REPORT

## *Provision 4.3 – Board Renewal*

The Board has a process for the appointment of new Directors whereby the NC will evaluate the core competencies of the Directors so as to determine suitable skills and expertise to strengthen or complement the Board, taking into consideration the need for progressive renewal of the Board. Where new appointments are required, the Board considers the candidate's track record, age, experience, and capabilities and meet with such candidates before a decision is made on the selection. The criteria for identifying candidates and reviewing nominations for appointments will include also gender and other forms of diversity. The Board will tap on the industry information and personal contacts of current Directors and key management personnel for recommendation of suitable candidates. The Board was of the view that the skills and knowledge of each director contribute to the core competencies of the Board. The NC promotes transparency in the selection and appointment of new Board members as well as their subsequent re-nomination/re-election.

A Director who wishes to retire or resign should provide sufficient notice to the Board so that a replacement may be appointed before he/she leaves. In the event of any vacancy, the Company shall endeavour to fill the vacancy within two months, but in any case not later than three months.

All Directors have to submit themselves for re-nomination/re-election at regular intervals or at least once every three years in accordance with Regulation 106 of the Company's Constitution. Based on the rotation list of Directors due for retirement, Mr Foo Fang Yong and Mr Chan Wan Hong respectively is due for retirement as a Director at the forthcoming AGM. The NC had recommended to the Board for Mr Foo Fang Yong and Mr Chan Wan Hong be nominated for re-election in accordance with Regulation 106 of the Company's Constitution at the AGM. In reviewing the re-election of Directors, the NC has considered criteria such as the Director's contribution and performance, attendance, preparedness, participation, candour and suitability, and if applicable, assessment of the Director's independence. The NC is satisfied that the Directors under review have been adequately carrying out his duties as a Director of the Company. Please refer to the section "Disclosure of Information on Directors seeking re-election" for more information on Mr Foo Fang Yong and Mr Chan Wan Hong.

The NC has a process for selection and appointment of new Directors which includes identification of potential candidates, evaluation of candidates' skills, knowledge and experience, assessment of candidates' suitability. The curriculum vitae and other particulars/documents of the nominee or candidate will be reviewed and evaluated by the NC based on his/her qualifications, business and related experience, commitment, ability to contribute to the Board process, such qualities and attributes that may be required by the Board, before making its recommendation to the Board. The criteria for identifying candidates and reviewing nominations for appointments include diversity of gender, skills and experience in the pool of candidates evaluated for new appointment to the Board.

# CORPORATE GOVERNANCE REPORT

## *Provision 4.4 – Independence review of Directors*

The NC has reviewed (with each NC member who is an Independent Director recused himself from determining his own independence) and determined that Mr Chong Teck Sin, Mr Chan Wan Hong and Mr Neo Bock Cheng are independent as at the date of this Annual Report having regard to the circumstances set forth in Provision 2.1 of the 2018 Code and the Listing Manual. The Independent Directors do not have any relationship with the Company, related corporations, its substantial shareholders or officers. The Independent Directors are not employees of any company within the Group. Their experience in finance, business, law and engineering enables them to exercise objective judgement on corporate affairs independently.

## *Provision 4.5 - Duties and obligations of Directors*

The Board is of the view that the current size of the Board is appropriate for effective decision making taking into account the scope and the nature of the operations of the Company and as a group provides valuable perspectives and knowledge of the Company. The Board, with the review by NC, has annually examined its size and is of the view that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Company. As a team, the Board collectively provides core competencies in the areas of finance, business, law and engineering.

The Board has not determined the maximum number of listed company board representations which any Director may hold. The Board reviewed and agreed that Directors with multiple listed company board representation and other principal commitments were able to and have been adequately carrying out their duties as a Director of the Company. Although the non-executive Directors hold directorships in other companies which are not in the Group, the Board is of the view that such multiple board representations do not hinder them from carrying out their duties as Directors. These Directors would widen the experience of the Board and give it a broader perspective.

The Board's succession planning begins with the appointment of new Directors to the Board. The Board recognised the importance of identifying potential candidate within the Company for succession planning for the CEO and key management personnel. The NC reviews succession plan annually to ensure continuity of leadership.

The Company has no alternate Director.

# CORPORATE GOVERNANCE REPORT

Key information regarding the Directors of the Company in office at the end of FY2025 are disclosed as follows:

Name of Directors	Date of first appointment	Date of last re-election	Nature of Appointment	Membership of Board Committee	Directorship/ Chairmanship both present and those held over the preceding five years in other listed company
Foo Suan Sai	30 September 1988	25 April 2025	Chief Executive Officer	Member of Nominating Committee	None
Han Juat Hoon	16 May 1987	25 April 2025	Chief Operating Officer	None	None
Foo Fang Yong	28 May 2015	30 April 2024	Executive Director	None	None
Chong Teck Sin	30 April 2024	-	Independent Non-Executive Director and Chairman	Chairman of Audit and Risk Management Committee, member of Nominating Committee and Remuneration Committee	<u>Present</u> AIMS APAC REIT Management Limited (as Manager of AIMS APAC REIT) Uni-Asia Group Limited  <u>Past</u> Changan Minsheng APLL Logistics Co., Ltd InnoTek Limited Civmec Limited
Chan Wan Hong	30 April 2024	-	Independent Non-Executive Director	Chairman of Nominating Committee and member of Remuneration Committee and Audit and Risk Management Committee	Centurion Corporation Limited Pan-United Corporation Ltd.
Neo Bock Cheng	30 April 2024	-	Independent Non-Executive Director	Chairman of Remuneration Committee and member of Nominating Committee and Audit and Risk Management Committee	None

# CORPORATE GOVERNANCE REPORT

Details of other principal commitments of the Directors have been set out in the Directors' Profile of this Annual Report.

Summary of activities of the NC is set out below:

- Reviewed structure, size and composition of the Board and Board Committees.
- Reviewed independence and time commitment of Directors.
- Reviewed training for Directors.
- Evaluated the Board, Board Committee, Chairman and individual Director's performance.
- Reviewed results of performance evaluation and feedback to the Chairman and Board Committees.
- Reviewed succession planning for Chairman, CEO and key management personnel.
- Reviewed Board Diversity Policy.

## 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 – Board Evaluation Process*

The Board's performance is ultimately reflected in the performance of the Group. The Board shall, at all times, act honestly and use reasonable diligence and care in the discharge of the duties of their office. They have to carry their duties in the best interests of the Company and its shareholders. Board members must attend at least 75% of all Board Meetings.

The NC has established an appraisal process to annually assess the performance and effectiveness of the Board as a whole and its Board Committees and for assessing the contribution of the Chairman and contribution by each individual Director to the effectiveness of the Board. Each Director is required to complete a questionnaire so that the Board considers the performance and effectiveness in its entirety. It focuses on a set of performance criteria which includes the evaluation of the size and composition of the Board, the Board's access to information, Board's processes and accountability, and the Board's performance in relation to discharging its principal responsibilities. The assessment of Board Committees reviews the effectiveness of each Board Committee to address matters delegated in the Terms of Reference and guidelines of the 2018 Code. Directors assessed the contribution by the Chairman in terms of leadership and communication to stakeholders. Assessment on the contribution by each individual Director allow Directors to assess how well Directors perceive themselves and each other to be contributing positively to the work of the Board in terms of leadership, communication skills and effectiveness of risk management. The findings of such evaluations were analysed and discussed with a view to enhance the effectiveness of the Board. The Board was updated on the analysis of such evaluations. The Board concurred and supported the suggestions of the NC to bring about Board effectiveness especially in terms of strategic issues. No external facilitator was used to conduct the evaluation of Board performance.

# CORPORATE GOVERNANCE REPORT

Performance of Board members is also evaluated informally on a continual basis by the NC according to their contribution during meetings and also their input to the Company on matters related to corporate governance, legal or accounting matters, based on their individual expertise.

During FY2025, there was no change to the criteria used to evaluate the performance and effectiveness of the Board as a whole and its Board Committees and for assessing the contribution of the Chairman and contribution by each individual Director to the effectiveness of the Board. The NC is of the opinion that the above performance evaluation criteria are currently adequate. Each Director continues to contribute effectively and demonstrates commitment to the appointed role.

## 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 – Composition of the RC*

The RC comprised three members, who are all non-executive and Independent Directors. The RC is chaired by Mr Neo Bock Cheng. Mr Chong Teck Sin and Mr Chan Wan Hong are members of the RC as at end of FY2025. The RC meets at least once a year. The RC has a written terms of reference that describes its objectives, duties and responsibilities. The objectives of the RC are to facilitate appropriate transparency and accountability to shareholders and make recommendations to the Board on remuneration matters of the Director, CEO and key management personnel.

The RC's main responsibilities as written in the terms of reference which include recommending to the Board on:-

- (a) a framework of remuneration for the Board and the key management personnel of the Group covering all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share options, benefits-in-kind;
- (b) specific remuneration packages for each Director and key management personnel; and
- (c) reviewing the remuneration packages with the aim of building capable and committed management teams through competitive compensation and focused management and progressive policies and considering long-term incentives.

#### *Provision 6.3 – Remuneration framework*

The RC reviews the performance of the CEO, Chief Operating Officer and key management personnel, as well as reviewing and approving executive remuneration including but not limited to Directors' fees, salaries, allowances, bonuses and benefits based on benchmarking exercises with industry peers. The recommendations from the RC will be submitted for endorsement by the entire Board. No RC member or any Director is involved in deliberation in respect of any remuneration, compensation or any form of benefits to be granted to him/her.

# CORPORATE GOVERNANCE REPORT

## *Provision 6.4 – Remuneration consultant*

The Company did not seek expert advice inside and/or outside the Company on remuneration of all Directors.

## **Level and Mix of Remuneration**

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

### *Provisions 7.1 and 7.3 – Remuneration of Executive Directors and KMPs*

#### *Provision 7.2 – Remuneration of Non-Executive Directors*

The Executive Directors, Mr Foo Suan Sai and Mdm Han Juat Hoon, are also the substantial shareholders of the Company. Their interests are therefore in line with the Company's interest. Remuneration of Mr Foo Suan Sai and Mdm Han Juat Hoon is in accordance with their service contracts. There is a linkage between remuneration paid to executive Directors and performance of the Company based on a profit sharing scheme. The profit sharing scheme is approved by the Board with the concurrence of the Remuneration Committee on an annual basis.

Remuneration packages of key management personnel are proposed by the CEO and are linked to the performance of the individual and the Group based on benchmarking exercises with industry peers to ensure competitiveness.

Remuneration packages of the Executive Directors and key management personnel are structured to focus on achieving sustainable performance and create value in the short, medium, and long term taking into account strategic objectives and business model of the Group. With sustainable creation of value for the Company's key stakeholders, comprising communities, customers, employees, regulators, shareholders and vendors, these performance-related remuneration ensures the Company remains focused on the path to achieving long-term success. For example, the Board's implementation of strategy towards customer satisfaction through the offer of extensive and comprehensive product range (developed by employees under the guidance of key management personnel) that meet the market's needs benefited our customers and vendors. With performance-related remuneration of executive Directors and key management personnel structured to link rewards to corporate and individual performance, the long-term success of the Company becomes sustainable.

Remuneration of Non-Executive Directors takes into account the effort and time spent, including the responsibilities of each Director. Non-Executive Directors are paid Directors' fees, which are subject to approval of the Shareholders at the AGM.

The Board comprises majority Independent Directors some of whom hold shares in the Company and their interests are aligned with the interests of shareholders.

# CORPORATE GOVERNANCE REPORT

## Provision 7.3 – Long Term incentives

The Company currently does not have any share option scheme or any long term scheme in place as the Company believes “pay holds employees accountable” for improving shareholder value and drive productivity profit. The Company currently does not have any contractual provisions to allow the Company to reclaim incentive from executive Directors and key management personnel in exceptional cases of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

## 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.**

## Provision 8.1 – Disclosure of remuneration

Remuneration is fixed in accordance with the experience of the person in question, the role performed, market comparison, the contribution of the individual and/or the performance of the Company and the Group.

The breakdown of annual remuneration (in Singapore Dollars) of Directors and CEO for FY2025 are set out below:

FY2025	Base Salary \$	Variable Bonus \$	Profit Sharing \$	Benefits \$	*Fees \$	Total \$
Chong Teck Sin	-	-	-	-	115,000.00	115,000.00
Foo Suan Sai	835,632.00	-	2,567,091.75	46,603.53	-	3,449,327.28
Han Juat Hoon	563,634.00	-	1,927,818.81	17,983.67	-	2,509,436.48
Foo Fang Yong	505,070.12	-	993,721.04	15,077.45	-	1,513,868.61
Chan Wan Hong	-	-	-	-	90,000.00	90,000.00
Neo Bock Cheng	-	-	-	-	90,000.00	90,000.00

\* The amounts of Directors’ fees proposed to the Non-Executive Directors (including the Independent Directors) for FY2025 are subject to the approval of shareholders at the forthcoming AGM.

The annual remuneration bands (in Singapore Dollars) of the key management personnel for FY2025 are set out below:

FY2025	Base Salary %	Variable Bonus %	Commission %	Benefits %	Fees %	Total %
<b>Key management personnel</b>						
\$500,000 to below \$750,000						
Pui Boon Tiong Eugene	57	40	-	3	-	100
\$250,000 to below \$500,000						
Koh Henry	58	38	-	4	-	100
Zhang Xiaowen Amanda	64	36	-	-	-	100
Below \$250,000						
Goh Tian Keong Winston <sup>(1)</sup>	82	-	-	18	-	100
Sim Yeow Liang <sup>(1)</sup>	41	-	51	8	-	100

<sup>(1)</sup> Mr Goh Tian Keong Winston has ceased to be key management personnel with effect from 1 July 2025 and replaced with Mr Sim Yeow Liang on the same date.

# CORPORATE GOVERNANCE REPORT

The Company is disclosing the remuneration of each key management personnel in bands of S\$250,000. The Group remunerates its key management personnel competitively. To secure the very best talented personnel especially in the competitive IT distribution and IT training business and due to the competitiveness for such talent, the Company is not disclosing the aggregate remuneration paid to the key management personnel of the Group in this report. The Board is of the view that the aggregate remuneration of key management personnel is not in the best interest of the Company, considering the highly competitive IT industry and may adversely affect the Company's talent retention efforts, given the sensitive nature in the IT industry for key talent. Talent and workforce matters have become even more important as the Board thinks strategically about talent.

Remuneration of Mr Foo Suan Sai and Mdm Han Juat Hoon are in accordance with their respective service contracts with the Company. Remuneration of Mr Foo Fang Yong is in accordance with his employment contract with the Company. For the key management personnel, the remuneration is based on their respective employment contract with the Company and fixed based on the above factors as well as negotiation between the parties concerned.

## *Provision 8.2 – Remuneration of related employees*

There are three employees who are immediate family members of a Director or the CEO. However, their individual remuneration did not exceed S\$100,000 for FY2025, with the exception of the following:

FY2025	Base Salary %	Variable Bonus %	Commission %	Benefits %	*Fees %	Total %
<b>Immediate family member of a Director or CEO</b>						
\$100,000 to below \$200,000						
Foo Suan Fak <sup>(1)</sup>	73	27	-	-	-	100

<sup>(1)</sup> Mr Foo Suan Fak is the brother of Mr Foo Suan Sai, who is the Chief Executive Officer of the Company.

## *Provision 8.3 – Forms of remuneration and details of employee share schemes*

The Company does not have any employee share scheme.

Summary of activities of RC in FY2025 is as follow:

- Reviewed remuneration packages of key management personnel and employees related to substantial shareholder which includes salary adjustments and bonus.
- Reviewed remuneration package of the Executive Directors which includes salary and profit sharing bonus.
- Reviewed and recommended Directors' fees for approval of shareholders at the AGM.

# CORPORATE GOVERNANCE REPORT

## 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 – Nature and extent of risks*

The ARMC takes on the corporate governance and oversight responsibilities in respect to risk management of the Group and each subsidiary.

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of risk while at the same time achieving strategic objectives and value creation.

The Board approves the key risk management policies and ensures a sound system of risk management and internal controls (including financial, operational, compliance and information technology controls) and monitors performance against them. In addition to determining the approach to risk governance, the Board sets and instils the right risk focused culture throughout the Group for effective risk governance.

The Board has approved an Enterprise Risk Management ("**ERM**") Framework ("**ERM Framework**") for the identification of key risks within the business which is aligned with the ISO 31000:2018 - Risk Management. To enhance the effectiveness of the ERM Framework, the Group implemented Orion ERM system, a third-party software that automates the risk management, internal control and assurance functions and enables these functions to be managed on an integrated platform.

The ARMC oversees risk governance which includes the following roles and responsibilities:

- proposes the risk governance approach and risk policies for the Group to the Board;
- reviews the risk management methodology adopted by the Group;
- reviews the strategic, financial, operational, regulatory, compliance, information technology and other emerging risks relevant to the Group identified by Management; and
- reviews Management's assessment of risks and Management's action plans to mitigate such risks.

Under the ERM Framework:

- (a) Risks identified are aligned with the objectives of the Group;
- (b) A risk reporting structure is defined to identify the risk owners, approvers, champions and their respective risk responsibilities;
- (c) A risk reporting process is established which includes the identification, analysis and evaluation of risks, implementation of risk treatment plans and continuous monitoring of risks; and

# CORPORATE GOVERNANCE REPORT

- (d) Risks are evaluated on a common measurement matrix based on the likelihood and consequence of each risk identified. The risks are first identified on a gross level and subsequently on a residual level considering the risk treatment measures in place. The residual risk level determines the extent or risk exposure and further risk treatment measures required.

An ERM exercise was performed in FY2025 involving middle and senior managers of the Group, including the C-Suite executives. Key risks identified, arising from the ERM exercise, are as follows:

S/N	Risk title and description	Risk treatment
1	<p><u>Adverse changes in operating environment and market conditions</u></p> <p>A deterioration in economic and market conditions may arise due to events such as geo-political conflicts, new pandemic and climate changes. Such events may bring about dampening of market demand and cause supply chain disruptions leading to general price increases. Suppliers may also pass on climate related regulatory costs such as carbon tax to the Group by way of price increase. Should the deterioration persist, the business and financial performance of the Group may be adversely impacted.</p> <p>For climate-related risks and responses (physical risk), refer to our disclosures based on Taskforce on Climate-related Financial Disclosures ("TCFD") recommendations in our sustainability report.</p>	<p>The Group seeks to minimise adverse effects from deterioration in economic conditions and market conditions due to external events such as the pandemic outbreak, geo-political situations and climate changes.</p> <p>Key mitigating controls in place include maintaining a competent and experienced team, putting in place an effective IT system and close monitoring of financial performance.</p>
2	<p><u>Dependency on key distributor rights</u></p> <p>The Group is principally involved in the distribution of IT security products for vendors. Distribution rights may be lost due to: (i) change in ownership structure of vendors, resulting in termination of business relationships; (ii) inability to meet sales targets set by the vendors; (iii) non or late repayment of balances due to vendors for purchases; (iv) non-compliance with the terms of distributorship agreements; and (v) changes in strategic direction of vendors.</p>	<p>The Group focuses on building sustainable relationships with its key vendors to retain distribution rights.</p> <p>Key mitigating controls in place include maintaining a competent and experienced team, implementing adequate and effective policy and procedures, putting in place an effective IT system, regular business review with vendor and regular review of financial performance</p>

# CORPORATE GOVERNANCE REPORT

S/N	Risk title and description	Risk treatment
3	<p><u>Dependency on key managers and staff</u> The Group's operations are dependent on the management and support staff. If the Group is unable to retain, attract and hire competent and experienced staff, the ability to run the operations may be adversely affected.</p>	<p>The Group focuses on building and maintaining a conducive, fulfilling and rewarding work environment to address the risk of staff turnover.</p> <p>Key mitigating controls in place include maintaining a competent and experienced team, implementing adequate and effective policy and procedures and maintaining formal performance tracking, evaluation and feedback controls.</p>
4	<p><u>Foreign exchange losses</u> The Group operates in multiple countries in which some are developing countries with volatile currencies. Given that sales are typically transacted in local currencies, and should there be a sudden currency devaluation, the Group may suffer significant exchange losses that will adversely affect its financial performance.</p>	<p>The Group seeks to minimise adverse effects from the volatility of foreign exchange rates through adequate and effective tracking and planning.</p> <p>Key mitigating controls in place include maintaining a competent and experienced team, implementing adequate and effective policy and procedures, maintaining an effective IT system, close monitoring of foreign exchange positions.</p>
5	<p><u>Inability of customers to meet their obligations</u> Customers comprise mainly re-sellers that are mostly system integrators installing IT systems for end users such as financial institutions or governmental bodies. Non-payment of overdue balances will affect the Group's financial performance and cash flows.</p>	<p>The Group follows up closely with its customers to minimise the adverse effects on financial performance and cash flows from non-collectable customer balances.</p> <p>Key mitigating controls in place include maintaining a competent and experienced team, implementing adequate and effective policy and procedures, establishing effective credit controls, putting in place an effective IT system and regular review of financial performance.</p>
6	<p><u>Fraud and irregularities</u> The Group is exposed to the risk of fraud, bribery and irregularities such as: (i) misstatements in the financial statements; (ii) misappropriation of assets, such as cash and inventory; and (iii) acceptance of bribes by employees in return for favor in purchases and award of contracts.</p>	<p>The Group is committed to maintain high standards of corporate governance.</p> <p>Key mitigating controls in place include maintaining a competent and experienced team, implementing adequate and effective policy and procedures, putting in place an effective IT system and whistle-blowing mechanism.</p>

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S/N	Risk title and description	Risk treatment
7	<p><u>Non-compliance with laws, regulations and legal disputes.</u></p> <p>In the course of running its operations, the Group has to comply with relevant laws and regulations, such as SGX-ST Listing Rules, local tax laws/regulations and climate reporting requirements. Separately, disputes with counterparties, in which contractual relationships have been established, may arise due to reasons such as disagreements over scope of responsibilities and specification of products/ services.</p> <p>In the event that the disputes cannot be resolved satisfactorily or there is a failure to comply with the applicable laws and regulations, the Group's reputation may be adversely affected, and the Group may suffer financial losses arising from fines or penalties imposed by the relevant authorities.</p> <p>For climate-related risks and responses (transition risk), refer to our disclosure based on TCFD recommendations in our sustainability report.</p>	<p>The Group focuses on ensuring compliance with contracts to avoid disputes with counterparties.</p> <p>Key mitigating controls in place include maintaining a competent and experienced team, implementing adequate and effective policy and procedures, including contractual terms to limit risk exposure, implementing a centralised filing system for contracts and obtaining advice from professional service providers.</p>
8	<p><u>Slow or non-moving inventory accumulation.</u></p> <p>The Group carries a significant balance of inventory. The nature of inventory carried by the division is such that they are exposed to the risk of drop in valuation arising from events such as rapid changes in technology, introduction of new products/solutions/services and changing consumer needs/demands/preferences. Most of the inventory is not returnable to the vendors.</p>	<p>The Group focuses on reducing slow-moving inventories.</p> <p>Key mitigating controls in place include maintaining a competent and experienced team, implementing adequate and effective policies and procedures, putting in place an effective IT system and performing regular stock counts.</p>

The above section discusses the key risks that have emerged and which may have a significant impact on the Group's financial and operating performance. It is not intended to provide a complete discussion of all risks that may impact the Group. Other risks which the Group is unaware of or which are not currently deemed to be significant may be material in the future and have a considerable adverse effect on the Group's financial and operating performance. The risk treatments mentioned above represent our best endeavours but do not provide absolute assurance that the Company will not be adversely affected by any risk event that can be reasonably foreseen as it strives to achieve its business objectives.

# CORPORATE GOVERNANCE REPORT

Management presented its annual report to the ARMC and the Board on the Group's risk profile, status of risk mitigation action plans and results of various assurance activities carried out during FY2025 on the adequacy and effectiveness of the Group's risk management and internal controls including financial, operational, compliance and information technology controls. Such assurance activities include control self-assessments performed by Management, internal and external audits performed by internal and external auditors. For FY2025, control self-assessment was performed using the Orion ERM system.

Save in respect of the exceptions set out below, based on the Risk Management Framework and internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by the management, various Board Committees and the Board, the ARMC and the Board are satisfied that the Group's risk management and internal control systems (including financial, operational, compliance and information technology controls) were adequate and effective for the financial year ended 31 December 2025 to address financial, operational, compliance and information technology risks.

The Board noted that system of internal controls and risk management established by the Group provides reasonable, but not absolute assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also noted that no system of internal controls (including financial, operational, compliance and information technology controls) and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

## *Provision 9.2 – Assurance from the CEO and Financial Controller*

The Board had identified the Financial Controller as the key management personnel responsible for the Company's risk management and internal control systems. The Board had obtained a written confirmation from the CEO and Financial Controller:

- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) regarding the adequacy and effectiveness of the Group's risk management and internal control systems (including financial, operational, compliance and information technology controls). The CEO and Financial Controller have obtained assurance from the respective risk and control owners.

# CORPORATE GOVERNANCE REPORT

## Audit and Risk Management Committee

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

#### *Provisions 10.1, 10.2 and 10.3 – Composition of the ARMC*

The ARMC comprised three members, all are non-executive and Independent Directors. The ARMC was chaired by Mr Chong Teck Sin. The other ARMC members are Mr Chan Wan Hong and Mr Neo Bock Cheng. The ARMC members have accounting or related financial management expertise and experience. The NC is of the view that the members of the ARMC have the necessary expertise and experience to discharge its functions. None of the ARMC members nor the ARMC Chairman are former partners or Directors of the Company's existing auditing firm or auditing corporation.

The objectives of the ARMC are to safeguard the Company's assets, maintain adequate accounting records and develop and maintain effective systems of internal control and risk management.

The written terms of reference defining its scope of authority and duties of the ARMC reflect the risk management and internal control role of the ARMC which include:

- To review the scope and results of the audit, whether it is cost effective and the independence and objectivity of the external auditor on an annual basis;
- To review risk governance and advise on the overall risk tolerance and strategy;
- To make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;
- To review with the external auditor on their audit report, management letter and management's response;
- To review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcement relating to the Company's financial performance;
- To review the half-yearly and annual financial statements before submission to the Board;
- To review the assistance given by the Management to the auditors;
- To make recommendations to the Board for the appointment, re-appointment and removal of internal auditor, and approve the terms of engagement and remuneration;
- To approve the hiring, removal, evaluation and compensation of the accounting/ auditing/ professional service firm to which the internal audit function is outsourced;
- To review with the internal auditor the scope of the internal audit and results of the internal audit report and Management's response;
- To review the adequacy and effectiveness of the Company's internal controls and procedures for internal control and risk management and arrangements for all future related party transactions;

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- To review interested party transactions periodically;
- To review the policy and arrangement by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters; and
- To oversee risk governance (refer to detailed disclosure under principle 11).

The ARMC has full access to Management and the full discretion to invite any Director or executive officer to attend meetings, and reasonable resources to enable it to discharge its function properly.

During the review of all audit and non-audit services provided by the external auditor, Messrs BDO LLP during the year, the ARMC was satisfied that the non-audit services provided by Messrs BDO LLP would not affect the objectivity and independence of the external auditor. The amount of fees paid to external auditor for audit and non-audit services for the financial year ended 31 December 2025 are set out on page 178 of the Annual Report. During the year, the ARMC also reviewed the scope and quality of the audits and independence and objectivity of the external auditor. The ARMC is satisfied that the external auditor, Messrs BDO LLP is able to meet the audit requirements and statutory obligation of the Company. The ARMC shall continue to review the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditor. The ARMC is satisfied with the independence of the external auditor. The ARMC has recommended to the Board the re-appointment of Messrs BDO LLP as the Company's external auditor at the forthcoming AGM.

The Board and the ARMC are satisfied that the appointment of different auditors for its overseas incorporated subsidiaries would not compromise the standard and effectiveness of the audit of the Company. The Company is therefore in compliance with Rule 712 and Rule 715 of the Listing Manual of SGX-ST.

The ARMC meets at least two times a year. The ARMC meetings are attended by external auditor and where required, internal auditor and appropriate members of the executive management are invited to attend its meetings. In FY2025, the ARMC carried out the activities as set out above. The ARMC meets the external auditor and internal auditor without the presence of Management at least once annually. The ARMC received updates on changes in accounting standards and corporate governance from the external and internal auditors periodically. The ARMC is kept abreast of changes to accounting standards and issues which have a direct impact on financial statements by the external auditor.

The Company has put in place a whistle-blowing framework, endorsed by the ARMC, where employees of the Company may, in confidence, raise their concerns over any wrongdoing within the Company relating to unlawful conduct, financial malpractice or dangers to the public or the environment. The whistle-blowing policy sets out the procedures for a whistleblower to make a report on misconduct or wrongdoing relating to the Company and its officers and assurance to have protection of the whistleblower against detrimental or unfair treatment. There is a designated independent function to investigate whistleblowing reports made in good faith with identity of the whistleblower kept confidential. ARMC is responsible for oversight and monitoring of whistleblowing. At each ARMC meeting, whistle-blowing reports, if any, will be

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considered. Details of the whistle-blowing policies and arrangements have been made available to all employees.

Other information pertaining to the ARMC is disclosed on page 106 of the Annual Report.

In FY2025, the ARMC received the Audit Quality Indicators Disclosure Framework from the external auditor. The external auditor has reported to the ARMC on the Key Audit Matters (“**KAM**”) in respect of FY2025 following completion of the audit of the Company’s financial statements. The ARMC agreed with the rationale and determination of recoverability and expected credit loss (“**ECL**”) of trade receivables from third parties as KAM by the external auditor. The ARMC has considered the approach and methodology used by the external auditor and Management. The ARMC has reviewed the reasonableness and approach of the Management’s assessment of the respective KAM and agreed with the opinion of the external auditor.

## *Provision 10.4 – Internal audit function*

The Group outsources its internal audit function to Messrs Yang Lee & Associates (“**YLA**” or “**IA**”). YLA is a professional service firm that specialises in the provision of Internal Audit, Enterprise Risk Management and Sustainability Reporting advisory services. The firm was set up in the year 2005 and currently maintains a diverse outsourced internal audit portfolio of SGX-ST listed companies across different industries including distribution, manufacturing, services, food & beverage, trading, retail and property development industries. YLA is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with sufficient expertise in corporate governance, risk management, internal controls and other relevant disciplines.

The IA engagement team comprises two (2) Directors, one (1) Manager and is supported by two (2) Associates. Each of the two (2) Directors has more than thirty years of relevant experience whilst the Manager has more than fifteen years of relevant experience. The Engagement Director and Manager are both certified as Certified Internal Auditor by the Institute of Internal Auditors. The IA is guided by the International Standards for the Professional Practice of Internal Auditing (“**IIA Standards**”) set by the Institute of Internal Auditors in carrying out the internal audit review.

The IA completed two reviews during the financial year ended 31 December 2025 in accordance with the risk-aligned internal audit plan approved by the ARMC. The Board has adopted the recommendations of the internal auditor set out in the internal audit report.

The ARMC has reviewed and confirmed that YLA is a suitable professional service firm to meet the Company’s internal audit obligations, having regard to the adequacy of resources and experience of the firm and the assigned engagement director, number and experience of supervisory and professional staff assigned to internal audit. IA reports directly to the Chairman of the ARMC. The ARMC approves the appointment, evaluation and fees of the internal audit firm. IA have unfettered access to all the Company’s documents, records, properties and personnel, including access to the ARMC.

The ARMC reviews and approves the internal audit scope and plan to ensure that there is sufficient coverage of the Group’s activities. It also oversees the implementation of the internal audit plan and ensures that Management provides the necessary co-operation to enable the IA to perform its function.

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The ARMC is satisfied that the internal audit function is independent, effective and adequately resourced (being outsourced to a reputable professional service firm). Hence, it has an appropriate standing within the Company.

## *Provision 10.5 – ARMC activities during the year*

Summary of activities of the ARMC in FY2025:

- Reviewed risk assessments and technology risks including new projects;
- Reviewed internal controls addressing financial, operational, compliance and information technology;
- Discussed key risks;
- Monitored risk profile and keep abreast of changes in the external and internal environment;
- Reviewed and assessed the adequacy and effectiveness of risk management and internal control systems (including financial, operational, compliance and information technology);
- Reviewed and approved risk management framework;
- Reviewed and assessed the risk management capabilities and resources of the Company;
- Reviewed the assurance provided by the CEO and key management personnel responsible regarding the adequacy and effectiveness of evaluation the adequacy and effectiveness of risk management and internal control systems (including financial, operational, compliance and information technology);
- Reviewed legal and regulatory matters that may have material impact on the Company;
- Conducted special investigations relating to risk assessment and technology risks and internal control systems;
- Reviewed half-yearly and annual financial statements and recommend to the Board;
- Reviewed financial and operating performance of the Group;
- Reviewed budget and forecasts as presented by Management;
- Reviewed interested person and related party transactions, where available;
- Reviewed the audit report from the external auditor, including areas of audit emphasis and key audit matters, findings and progress of Management's actions as well as update on new accounting standards with status of Management's implementations;
- Evaluated and recommended the re-appointment of the external auditor including Audit Quality Indicators, review of fees, provision of non-audit, objectivity and independence and review of audit plan;
- Reviewed internal audit plan (including progress, implementation of management actions, changes to the plan and auditable entity) and follow-up on internal audits which include IT audit;
- Reviewed the adequacy and effectiveness of the internal controls (including financial, operations, compliance and information technology) and risk management systems;
- Reviewed the adequacy and effectiveness, independence and scope of the internal audit function including audit resources and its appropriate standing within the Group;
- Reviewed investigations within the Group and ensuring appropriate follow-up actions, where required; and
- Meeting with the external auditor and internal auditor without presence of Management.

# CORPORATE GOVERNANCE REPORT

## 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.**

*Provisions 11.1, 11.2, 11.3 and 11.4 - Conduct of general meetings*

The Board is accountable to the shareholders and is mindful of its obligation to provide a balanced and understandable disclosure of material information to shareholders, investors and public. This allows shareholders to assess its performance, position and prospects.

The Board treats all shareholders fairly and equitably and seeks to protect and facilitate exercise of shareholders' rights. The Board allows all shareholders to exercise their voting rights by participation and voting at general meetings. Shareholders will be informed about the voting procedures that govern general meetings of shareholders.

The Company ensures that there are separate resolutions at general meetings on each distinct issue. Each item of special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting and the Chairman declares the number of proxy votes received both for and against each separate resolution.

All Directors including the chairpersons of the ARMC, NC and RC will be present and available to address questions. The external auditor will be present to assist the Directors in addressing any relevant queries by shareholders and address shareholders' queries about the conduct of audit and the preparation and content of the auditor's report.

Shareholders have the opportunity to participate in and vote at general meeting of shareholders. All resolutions are voted by poll in the presence of independent scrutineers and the detailed results are released to the public via SGXNET after the meeting. As the present Constitution of the Company does not have a provision to allow shareholders to vote in absentia, via methods such as e-mail, fax, etc., and the legal and regulatory environment is not entirely conducive for voting in absentia, the Company does not allow a shareholder to vote in absentia at general meetings. The introduction of absentia voting methods will be deferred until an appropriate time. The Board will review its Constitution from time to time. Where amendment of its Constitution is required to align the relevant provisions with the requirements of the Listing Manual of the SGX-ST, shareholders' approval will be obtained.

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The AGM held on 25 April 2025 was conducted physically with shareholders given the opportunity to submit questions in advance prior to the AGM and voting at the AGM personally or through duly appointed proxies. Shareholders could appoint the Chairman as proxy. Shareholders are given opportunity to submit questions related to the agenda of the AGM prior to the AGM.

## *Provision 11.5 – Minutes of general meetings*

Minutes of general meetings include substantial comments or queries from shareholders and responses from the Board and management relating to the agenda of the meeting. These minutes are made available to shareholders upon their request. The Company published minutes of AGM via SGXNET on 22 May 2025.

## *Provision 11.6 – Dividend policy*

The Company does not have a policy on dividends. However, declaration of dividends is with the objective of maximising value with the balance of current dividend and future growth and will be published in the financial results and dividend announcements via SGXNET. The Company paid a final tax exempt (1-tier) dividend of 14.20 cents per ordinary share for FY2024 and an interim tax exempt (1-tier) dividend of 11.10 cents per ordinary share for FY2025. Subject to approval of members at the forthcoming AGM, the Directors have recommended a final tax exempt (1-tier) dividend of 20.00 cents per ordinary share for FY2025.

## **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 – Stakeholder engagement*

The Company aims to engage in regular, effective and fair communication with shareholders, and be as descriptive, detailed and forthcoming as possible. The Annual Report and Notice of AGM is made available to all shareholders and published on SGXNET. The notice is also advertised in the press and made available on the website. At AGM, the Company encourages shareholders' participation and shareholders are given the opportunity to air their views and ask Directors or Management questions regarding the Company.

The electronic Annual Report and financial results are disclosed on an equal and timely basis through SGXNET within the mandatory period and the information is also available on the Company's website [www.multichem.com.sg](http://www.multichem.com.sg). Information on the Company's new initiatives or key developments are first disseminated via SGXNET and also made available on-line to

# CORPORATE GOVERNANCE REPORT

shareholders in a timely and transparent manner with the same disclosure given publicly to all. Price sensitive information is announced through SGXNET. However, any information that may be regarded as undisclosable material information about the Group will not be given. Due to limited resources, the Company manages half-yearly financial results and press releases and the production of annual reports (and other compliance reports) as their key roles and responsibilities; and it is in these activities that they are most engaged.

The Company has an Investor Relations policy which aims to ensure all investors are able to access information of the Company, including Company's business strategies and updates, stock and financial performance, corporate management and governance and etc., in a timely manner. Shareholders can send questions to the Company's website [www.multichem.com.sg](http://www.multichem.com.sg) and the Company responds to such questions.

## 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, 13.2 and 13.3 – Stakeholder engagement*

The Company engages its stakeholders through different channels to establish, address and monitor the material environmental, social and governance (ESG) factors of the Company's operation and its impact on the various stakeholders.

The Company engages stakeholders with the various channels that are already in place, to better understand its stakeholders' concerns, and address any issues that they may face. Engagement channels and frequencies are reviewed periodically to ensure that they are sufficient to deal with current identified stakeholders' ESG-related issues.

The Company is also committed to enhance and improve the current engagement initiatives, while staying abreast of new trends or developments that may affect the sustainability standing of the Company, and eventually devise corresponding measures to resolve the new ESG issues.

For more information on the Company's approach to stakeholder engagement and materiality assessment, please refer to the Company's Sustainability Report 2025 of this annual report.

# CORPORATE GOVERNANCE REPORT

## DEALINGS IN SECURITIES

The Group has set an internal guideline relating to dealing in the Company's securities by the Company and its officers. The Company and its officers should not deal in the Company's securities:

- (a) when in possession of unpublished material price sensitive information;
- (b) on short term considerations; and
- (c) during the period commencing one month before the announcement of the Company's half year and full year results and ending on the date of the particular announcement.

The abovementioned share trading guideline are disseminated through periodic reminders during the course of the year to the Company and its officers (including Directors and employees with access to price sensitive information in relation to the Company's shares). In addition, the guidelines require officers to disclose in writing to the executive Directors on their dealings in the Company's securities.

## INTERESTED PERSON TRANSACTIONS

The Company monitors all its interested person transactions and ensures that all transactions with interested persons are reported in a timely manner for review by the ARMC.

There was no interested party transaction entered into with value more than S\$100,000 during the financial year. The Company does not have a mandate on Interested Person Transactions.

## MATERIAL CONTRACTS

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Director or controlling shareholder, either still subsisting at the end of FY2025.

# CORPORATE DIRECTORY

## Chief Executive Officer

Foo Suan Sai

## Chief Operating Officer

Han Juat Hoon

## Executive Director

Foo Fang Yong

## Finance, HR & Administration

Zhang Xiaowen Amanda

Siow Mee Lin

## Purchasing & Logistics

Goh Kie Soon Geraldine

## Distribution Division

Pui Boon Tiong Eugene

Koh Henry

Sim Yeow Liang

## OFFICES IN SINGAPORE

- HEAD OFFICE**  
**MULTI-CHEM LIMITED**  
 18 Boon Lay Way,  
 #05-113 TradeHub 21  
 Singapore 609966  
 Main Line : (65) 6863 1318  
 Main Fax : (65) 6863 1618
- M.TECH HOLDINGS PTE. LTD.**  
**M.TECH PRODUCTS PTE LTD**  
**M.SAAS SOLUTIONS PTE. LTD.**  
**SECUREONEASIA PTE. LTD.**  
**SECUREONE INDIA HOLDING PTE. LTD.**  
**M-SECURITY TECHNOLOGY**  
**INDOCHINA PTE. LTD.**  
**M.TECH PRODUCTS TW PTE. LTD.**  
**M. TECH SOLUTIONS (INDIA) PRIVATE**  
**LIMITED SINGAPORE BRANCH**  
 18 Boon Lay Way,  
 #06-111 TradeHub 21  
 Singapore 609966  
 Main Line : (65) 6516 0088  
 Main Fax : (65) 6779 6553

## IT BUSINESS OVERSEAS

### MALAYSIA OFFICE:

- M-SECURITY TECHNOLOGY SDN. BHD.**  
 13-1, Menara 1 MK, Kompleks  
 1 Mont Kiara, No. 1 Jalan Kiara,  
 Mont Kiara, Kuala Lumpur  
 50480 Malaysia  
 Main Line : (60-3) 2788 6868  
 Main Fax : (60-3) 2788 0080

### INDONESIA OFFICE:

- PT. M.TECH PRODUCTS**  
 Ariobimo Central Building, 7th Floor  
 Jl. HR Rasuna Said X-2 Kav 5,  
 Jakarta 12950, Indonesia  
 Main Line : (62-21) 522 6210  
 Main Fax : (62-21) 522 6211

### AUSTRALIA OFFICE:

- M.TECH PRODUCTS AUST PTY LIMITED**  
 Suite 309/50 Holt Street  
 Surry Hills, New South Wales 2010,  
 Australia  
 Main Line : (61) 2 8987 0400  
 Main Fax : (61) 2 8987 0401

### VIETNAM OFFICE:

- M-SECURITY TECHNOLOGY**  
**VIETNAM COMPANY LIMITED**  
**M-SECURITY TECHNOLOGY**  
**INDOCHINA PTE. LTD.**  
**HANOI REPRESENTATIVE OFFICE**  
 14th Floor, Ladeco Building,  
 266 Doi Can Street,  
 Ngoc Ha Ward, Hanoi, Vietnam  
 Main Line: (84-24) 3935 0970

# CORPORATE DIRECTORY

- **HO CHI MINH CITY REPRESENTATIVE OFFICE**  
P.MB 4B, 4th Floor,  
Artex Saigon Building (ASB),  
No. 236-238 Nguyen Cong Tru Street,  
Ben Thanh Ward,  
Ho Chi Minh City, Vietnam  
Main Line: (84-28) 6290 5418 / 5420

## THAILAND OFFICE:

- **M-SOLUTIONS TECHNOLOGY (THAILAND) CO., LTD**  
25 Bangkok Insurance Building,  
21st Floor, South Sathorn Road,  
Thungmahamek,  
Sathorn Bangkok 10120  
Main Line : (662) 059 6500

## PHILIPPINES OFFICE:

- **M.TECH PRODUCTS PHILIPPINES, INC**  
UB, 111 Paseo de Roxas, Legaspi Village,  
Makati City  
1229 Philippines  
Main Line : (632) 7917 8118  
Main Fax : (632) 043 844 5770
- **M-SECURITY TECH PHILIPPINES INC.**  
Unit 2904, 88 Corporate Center,  
Valero Corner Sedeno Streets,  
Salcedo Village, Makati City,  
1227 Philippines  
Main Line : (632) 7729 8839  
Main Fax : (632) 7729 8837 loc 105

## TAIWAN OFFICE:

- **M.TECH PRODUCTS TW PTE. LTD. TAIWAN BRANCH**  
10F., No. 45, Dongxing Rd.,  
Xinyi Dist., Taipei City 110,  
Taiwan (R.O.C.)  
Main Line : (886) 2 2659 9128  
Main Fax : (886) 2 2659 9127

## CHINA OFFICE:

- **M.TECH (SHANGHAI) CO.,LTD**  
Unit 903, 9th Floor,  
699 Zhaohua Road, Changning District,  
Shanghai PRC 200050  
Main Line : (86-21) 62171989
- **BEIJING BRANCH**  
Room R105, Dayue Wenchuang Building 48,  
No. 25 Yuetan North Street, Xicheng District,  
Beijing PRC. 100037  
Main Line : (86-10) 8280 0190
- **GUANGZHOU BRANCH**  
Room 1404, Building A, Poly Zhongyu Plaza,  
No. 626 Tianhe North Road,  
Tianhe District, Guangzhou  
Main Line : (86-20) 8550 1455
- **SHENZHEN BRANCH**  
Room 2705, Block B,  
Tian'an International Building,  
Renmin South Road, Luohu District,  
Shenzhen, Guangdong, China  
Main Line : (86) 19076195650

## HONG KONG OFFICE:

- **M.TECH PRODUCTS (HK) PTE LIMITED**  
Unit 2101, Two Sky Parc  
51 Hung To Rd, Kwun Tong, Hong Kong  
Main Line : (852) 2369 2678  
Main Fax : (852) 2369 2993

## INDIA OFFICE

- **M. TECH SOLUTIONS (INDIA) PRIVATE LIMITED**  
N1 Block, 2nd Floor, Manyata  
Embassy Business Park, Outer Ring Rd,  
Nagavara, Bengaluru,  
Karnataka 560045
- **CHENNAI OFFICE**  
New No. 63, Old No. 38,  
Second Floor, Raj Towers  
First Avenue, Ashok Nagar,  
Chennai 600083  
Main Line : (91-44) 4502 2391

# CORPORATE DIRECTORY

- **DELHI OFFICE**

Unit No 307, 3rd Floor,  
Baani Corporate One, Plot No. 5  
Non Hierarchical Commercial Centre,  
Jasola, New Delhi – 110025  
Main Line : (91-11) 4100 2960

- **MUMBAI BRANCH**

Unit No. 501, 5th Floor, Town Centre-II,  
Marol, Sakinaka, Andheri Kurla Road  
Andheri (East), Mumbai 400059  
Main Line : (91-22) 4015 4354

- **AHMEDABAD OFFICE**

706, Sakar III, Nr. Income Tax Office  
Ashram Road, Ahmedabad 380014  
Main Line : (91-79) 4891 3150

- **HYDERABAD OFFICE**

4th Floor, 6-3-248/B, Naveen Nagar,  
Road No. 1, Banjara Hills,  
Hyderabad Telangana 500034  
Telangana, India  
Main Line : (91) 77 8056 6047 /  
(91) 77 3089 8880

## **NEW ZEALAND OFFICE**

- **M.TECH PRODUCTS**

### **NEW ZEALAND LIMITED**

Level 14, 88 Shortland Street,  
Auckland CBD, Auckland 1010  
Main Line : (61) 2 8987 0400  
Main Fax : (61) 2 8987 0401

## **JAPAN OFFICE:**

- **M.TECH PRODUCTS JAPAN**

### **KABUSHIKI KAISHA**

10th Floor ACN Kyobashi Yaesu Building,  
2-8-3 Kyobashi  
Chuo-ku, Tokyo  
Japan 104-0031

Main Line : (65) 6516 0088

Main Fax : (65) 6863 1618

## **KOREA OFFICE:**

- **M.TECH PRODUCTS KOREA LLC**

93, Gyesansae-ro, Gyeyang-gu,  
Incheon 20165, Korea

Main Line : (65) 6516 0088

Main Fax : (65) 6863 1618

## **SRI LANKA OFFICE:**

- **M.SAAS LANKA (PRIVATE) LIMITED**

HQ Colombo (Level 4), No. 464A,  
T.B. Jayah Mawatha, Colombo 10,  
01000

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# DIRECTORS' STATEMENT

The Directors of Multi-Chem Limited (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2025 and the statement of financial position of the Company as at 31 December 2025.

## 1. Opinion of the Directors

In the opinion of the Board of Directors,

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

## 2. Directors

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

Chong Teck Sin  
Foo Suan Sai  
Han Juat Hoon  
Foo Fang Yong  
Chan Wan Hong  
Neo Bock Cheng

## 3. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is 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

## 4. Directors' interests in shares or debentures

According to the register of Directors' shareholdings kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), none of the Directors of the Company who held office at the end of the financial year had any interest in the shares or debentures of the Company and its related corporations except as follows:

	Direct Interest		Deemed Interest	
	Balance as at 1 January 2025	Balance as at 31 December 2025	Balance as at 1 January 2025	Balance as at 31 December 2025
	Number of ordinary shares			
<b>Company</b>				
Foo Suan Sai	36,215,325	36,233,325	25,345,125	25,345,125
Han Juat Hoon	25,345,125	25,345,125	36,215,325	36,233,325
Foo Fang Yong	162,400	162,400	-	-
Chong Teck Sin	25,000	25,000	-	-

By virtue of Section 7 of the Act, Mr Foo Suan Sai and Mdm Han Juat Hoon are deemed to have interests in the shares of all the subsidiaries of the Company as at the beginning and end of the financial year. Mr Foo Suan Sai is deemed to have interests in the shares held by his wife, Mdm Han Juat Hoon, and vice versa.

In accordance with the continuing listing requirement of the Singapore Exchange Securities Trading Limited, the Directors of the Company state that, according to the register of Directors' shareholding, the Directors' interests in the shares of the Company as at 21 January 2026 have not changed from those disclosed as at 31 December 2025.

## 5. Share options

There were no share options granted by the Company or its subsidiary corporations during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under options as at the end of the financial year.

# DIRECTORS' STATEMENT

## 6. Audit and Risk Management Committee

The Audit and Risk Management Committee comprises the following members who, including the Chairman, are all non-executive and Independent Directors. The members of the Audit and Risk Management Committee during the financial year and at the date of this statement are:

Chong Teck Sin (Chairman)  
Chan Wan Hong  
Neo Bock Cheng

The Audit and Risk Management Committee performs the functions specified in Section 201B (5) of the Act. In performing those functions, the Audit and Risk Management Committee reviewed the audit plans and the overall scope of examination by the external and internal auditors of the Company. The Audit and Risk Management Committee also reviewed the independence of the external auditor of the Company.

The Audit and Risk Management Committee has reviewed the assistance provided by the Company's officers to the external and internal auditors and the financial statements of the Group and the statement of financial position of the Company as well as the Independent Auditor's Report thereon prior to their submission to the Directors of the Company for adoption and reviewed the interested person transactions as defined in Chapter 9 of the Listing Manual.

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

The Audit and Risk Management Committee has recommended to the Board of Directors the nomination of BDO LLP, for re-appointment as external auditor of the Company at the forthcoming Annual General Meeting. The Audit and Risk Management Committee has carried out an annual review of non-audit services provided by the external auditor to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor prior to recommending their recommendation.

In appointing our external auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX-ST Listing Manual.

# DIRECTORS' STATEMENT

## 7. Independent auditor

The independent auditor, BDO LLP, has expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

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**Foo Suan Sai**  
Director

Singapore  
16 March 2026

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**Han Juat Hoon**  
Director

# INDEPENDENT AUDITOR'S REPORT

To the Members of Multi-Chem Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Multi-Chem Limited (the "Company") and its subsidiaries (the "Group"), which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025;
- the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the financial year then ended; and
- notes to the financial statements, including material accounting policy information.

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

### Basis for Opinion

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

# INDEPENDENT AUDITOR'S REPORT

## Key Audit Matters

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

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## Recoverability and Expected Credit Loss ("ECL") of trade receivables from third parties

### Key Audit Matter

As at 31 December 2025, the Group had current and non-current trade receivables from third parties amounting to \$193,484,000, net of loss allowance of \$4,923,000. The recoverability of trade receivables from third parties is a key element of the Group's working capital management, which is managed on an ongoing basis by the Group's management.

The Group first assessed for credit impaired trade receivables from third parties that are long outstanding as of the reporting date based on the Group's ECL policy using the ageing analysis. Thereafter, the Group applied the "simplified approach" for assessing ECL for trade receivables from third parties that are not credit impaired. Under the simplified approach, the Group's management developed a provision matrix using historical credit loss rates adjusted with forward looking information to reflect the effects of the current and future economic conditions in each geographical region and credit rating in each geographical region.

We focused on recoverability and ECL assessment as a key audit matter due to the significant estimates involved in deriving the ECL rates on trade receivables from third parties.

### Related Disclosures

Refer to Notes 11 and 33.1 of the accompanying financial statements.

### Audit Response

Our procedures included, amongst others:

- We discussed with management to obtain an understanding of the basis of their ECL assessment, including how credit impaired trade receivables are determined;
- We assessed the historical payment trend and on-going business relationship of significant past due trade receivables;
- We verified the Group's historical credit loss rates to the historical data, evaluated their reasonableness and tested the mathematical accuracy of the historical credit loss rates;
- We independently verified the external data sources used by the Group in deriving the adjustments made to historical credit loss rates to reflect the effects of the current and future economic conditions and evaluated the reasonableness of the adjustments; and
- We assessed the adequacy of the related disclosures in the financial statements.

# INDEPENDENT AUDITOR'S REPORT

## Other Information

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

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

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

## Responsibilities of Management and Directors for the Financial Statements

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

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

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

# INDEPENDENT AUDITOR'S REPORT

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

# INDEPENDENT AUDITOR'S REPORT

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

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

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

### **BDO LLP**

Public Accountants and  
Chartered Accountants

Singapore  
16 March 2026

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	3	6,916	7,367	168	163
Investment properties	4	-	-	2,135	2,190
Investments in subsidiaries	5	-	-	-	-
Club memberships	6	954	998	374	374
Right-of-use assets	7	1,522	2,066	-	89
Deferred tax assets	8	7,594	6,504	12	-
Financial asset, at FVOCI	9	-	-	-	-
Financial asset, at FVPL	10	4,966	5,107	4,966	5,107
Derivative financial instruments	10	-	38	-	-
Trade receivables	11	26,849	27,568	-	-
Prepayments	12	177	624	1	4
		<b>48,978</b>	<b>50,272</b>	<b>7,656</b>	<b>7,927</b>
<b>Current assets</b>					
Inventories	13	60,219	75,867	14	150
Trade and other receivables	11	172,862	181,837	36,371	37,405
Contract assets	23	1,609	2,328	-	-
Prepayments	12	1,281	1,556	130	85
Current income tax recoverable		5,890	6,714	-	-
Derivative financial instruments	10	5	36	-	-
Fixed deposits	14	57,878	40,224	17,896	11,229
Cash and bank balances	14	41,616	43,596	2,397	1,600
		<b>341,360</b>	<b>352,158</b>	<b>56,808</b>	<b>50,469</b>
Less:					
<b>Current liabilities</b>					
Trade and other payables	15	150,587	161,477	6,716	7,903
Contract liabilities	23	25,698	24,730	-	-
Lease liabilities	16	728	787	-	59
Provision	17	26,840	25,161	-	-
Current income tax payables		4,679	5,281	376	77
		<b>208,532</b>	<b>217,436</b>	<b>7,092</b>	<b>8,039</b>
<b>Net current assets</b>		<b>132,828</b>	<b>134,722</b>	<b>49,716</b>	<b>42,430</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Less:					
<b>Non-current liabilities</b>					
Trade payables	15	21,718	22,687	-	-
Contract liabilities	23	3,787	3,837	-	-
Lease liabilities	16	713	1,402	-	41
Provision for post-employee benefits	18	1,776	1,618	-	-
Deferred tax liabilities	8	1,566	1,242	-	-
		<b>29,560</b>	<b>30,786</b>	<b>-</b>	<b>41</b>
<b>Net assets</b>		<b>152,246</b>	<b>154,208</b>	<b>57,372</b>	<b>50,316</b>
<b>Equity</b>					
Share capital	19	37,288	37,288	37,288	37,288
Foreign currency translation account	20	(6,026)	(465)	-	-
Other reserves	21	(713)	(1,152)	-	-
Retained earnings	22	121,697	118,537	20,084	13,028
<b>Total equity</b>		<b>152,246</b>	<b>154,208</b>	<b>57,372</b>	<b>50,316</b>

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$'000	2024 \$'000
Revenue	23	653,925	683,684
Cost of sales		(564,285)	(586,205)
<b>Gross profit</b>		<b>89,640</b>	97,479
<b>Other items of income</b>			
Interest income		6,473	4,702
Other income	24	2,035	2,672
<b>Other items of expense</b>			
Selling and distribution costs		(34,817)	(36,161)
Administrative and other expenses		(26,573)	(27,443)
Loss allowance on third party trade receivables and contract assets		(158)	(857)
Finance costs	25	(3,632)	(1,573)
<b>Profit before income tax</b>	26	<b>32,968</b>	38,819
Income tax expense	27	(6,529)	(8,001)
<b>Profit for the financial year</b>		<b>26,439</b>	30,818
<b>Profit attributable to:</b>			
Owners of Company		26,439	30,818
<b>Earnings per share</b>			
- Basic and diluted	28	29.35 cents	34.21 cents

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$'000	2024 \$'000
<b>Profit for the financial year</b>		<b>26,439</b>	30,818
<b>Other comprehensive income:</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Foreign currency differences on translation of foreign operations		(5,561)	3,124
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value change in financial asset at FVOCI	9	-	(7)
Remeasurements of post-employee benefits	18	(46)	34
<b>Other comprehensive income for the financial year, net of tax</b>		<b>(5,607)</b>	3,151
<b>Total comprehensive income for the financial year</b>		<b>20,832</b>	<b>33,969</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>20,832</b>	<b>33,969</b>

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Note	Share capital \$'000	Foreign currency translation account \$'000	Premium on acquisition of non-controlling interests \$'000	Fair value reserve \$'000	Statutory reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2025	37,288	(465)	(1,043)	(439)	330	118,537	154,208
Profit for the financial year	-	-	-	-	-	26,439	26,439
Other comprehensive income for the financial year							
Foreign currency differences on translation of foreign operations	-	(5,561)	-	-	-	-	(5,561)
Fair value change in financial asset, FVOCI	9	-	-	439	-	(439)	-
Remeasurements of post-employee benefits	18	-	-	-	-	(46)	(46)
Total comprehensive income for the financial year	-	(5,561)	-	439	-	25,954	20,832
Distributions to the owners of the Company							
Dividends	29	-	-	-	-	(22,794)	(22,794)
Total transactions with the owners of the Company	-	-	-	-	-	(22,794)	(22,794)
Balance at 31 December 2025	37,288	(6,026)	(1,043)	-	330	121,697	152,246

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Note	Share capital \$'000	Foreign currency translation account \$'000	Premium on acquisition of non-controlling interests \$'000	Fair value reserve \$'000	Statutory reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2024	37,288	(3,589)	(1,043)	(432)	330	111,650	144,204
Profit for the financial year	-	-	-	-	-	30,818	30,818
Other comprehensive income for the financial year							
Foreign currency differences on translation of foreign operations	-	3,124	-	-	-	-	3,124
Fair value change in financial asset, FVOCI	9	-	-	(7)	-	-	(7)
Remeasurements of post-employee benefits	18	-	-	-	-	34	34
Total comprehensive income for the financial year	-	3,124	-	(7)	-	30,852	33,969
Distributions to the owners of the Company							
Dividends	29	-	-	-	-	(23,965)	(23,965)
Total transactions with the owners of the Company	-	-	-	-	-	(23,965)	(23,965)
Balance at 31 December 2024	37,288	(465)	(1,043)	(439)	330	118,537	154,208

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$'000	2024 \$'000
<b>Operating activities</b>			
Profit before income tax		32,968	38,819
Adjustments for:			
Loss allowance on third party trade receivables and contract assets		158	857
Allowance made for inventory obsolescence	26	6,517	1,277
Third party trade receivables written off	11	24	53
Fair value change in financial asset, at FVPL	10	(142)	(147)
Fair value change in derivative financial instruments		69	(78)
Depreciation of property, plant and equipment	3	719	872
Gain on disposal of property, plant and equipment	24	(64)	(366)
Amortisation of club memberships	6	10	10
Depreciation of right-of-use assets	7	818	999
Gain on lease modifications	24	(9)	-
Interest expense	25	3,632	1,573
Interest income		(6,473)	(4,702)
Inventories written off	26	1,946	501
Property, plant and equipment written off	26	5	-
Third party trade and other payables written off	24	(809)	(927)
Unrealised foreign exchange loss		607	331
Operating cash flows before working capital changes		39,976	39,072
Working capital changes:			
Inventories		3,529	11,373
Trade and other receivables, and contract assets		(1,966)	(15,678)
Prepayments		652	416
Trade and other payables, and contract liabilities		4,086	5,295
Provision		2,527	689
Provision for post-employee benefits		223	115
Cash generated from operations		49,027	41,282
Interest received		4,475	4,702
Income tax paid		(7,704)	(9,347)
<b>Net cash generated from operating activities</b>		<b>45,798</b>	<b>36,637</b>
<b>Investing activities</b>			
Additions to right-of-use assets		(216)	-
Proceeds from disposal of property, plant and equipment		77	646
Purchase of property, plant and equipment	3	(382)	(518)
<b>Net cash (used in)/generated from investing activities</b>		<b>(521)</b>	<b>128</b>

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$'000	2024 \$'000
<b>Financing activities</b>			
Repayments of bank borrowings (Note A)		-	(780)
Repayments of lease liabilities (Note A)		(782)	(967)
Interest paid		(2,113)	(1,573)
Dividends paid to owners of the Company	29	(22,794)	(23,965)
<b>Net cash used in financing activities</b>		<b>(25,689)</b>	<b>(27,285)</b>
Net change in cash and cash equivalents		19,588	9,480
Cash and cash equivalents at beginning of financial year		83,771	72,999
Effects of exchange rate changes on cash and cash equivalents		(3,914)	1,292
Cash and cash equivalents at end of financial year	14	<b>99,445</b>	<b>83,771</b>

## Note A: Reconciliation of liabilities arising from financing activities

	Non-cash changes				
	2024 \$'000	Net Cash flows \$'000	Additions and modifications of right-of-use assets under lease liabilities \$'000	Foreign exchange differences \$'000	2025 \$'000
Lease liabilities	2,189	(782)	126	(92)	1,441

	Non-cash changes				
	2023 \$'000	Net Cash flows \$'000	Additions and modifications of right-of-use assets under lease liabilities \$'000	Foreign exchange differences \$'000	2024 \$'000
Bank borrowings	786	(780)	-	(6)	-
Lease liabilities	1,908	(967)	1,244	4	2,189
	2,694	(1,747)	1,244	(2)	2,189

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

## 1. General corporate information

Multi-Chem Limited is a public limited company, incorporated and domiciled in Singapore with its registered office and principal place of business at 18 Boon Lay Way, #05-113, Tradehub 21, Singapore 609966. The Company's registration number is 198500318Z. The Company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Group's ultimate controlling parties are Mr Foo Suan Sai and Mdm Han Juat Hoon.

The principal activities of the Company are those of investment holding and provision of value-added printed circuit board ("PCB") related services, to PCB fabricators and the distribution of other PCB related products and equipment to PCB fabricators.

The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

The statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2025 were authorised for issue in accordance with a Directors' resolution dated 16 March 2026.

## 2. Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the relevant notes to the financial statements. All accounting policies have been consistently applied to the current financial year and comparative period, unless otherwise stated.

Where an accounting policy information is not disclosed in the financial statements, it is considered as not material and mainly standardised accounting requirements. The accounting policy information that are material and necessary for the understanding of the financial statements are disclosed in the relevant notes to the financial statements.

The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("S") which is the functional currency of the Company and the presentation currency for the consolidated financial statements. All values presented are rounded to the nearest thousand ("S'000") as indicated.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2. Basis of preparation (Continued)

The preparation of financial statements in conformity with SFRS(I)s requires the management to exercise judgement in the process of applying the Group's and the Company's accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the financial year, and the reported amounts of the revenue and expenses throughout the financial years. Although these estimates are based on management's best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year or in the financial year of the revision and future years if the revision affects both current and future financial years.

Significant accounting estimates and assumptions used:

- Expected credit loss allowance on trade and other receivables (Notes 11 and 33.1)
- Net realisable value of inventories (Note 13)
- Provision for post-sales technical support (Note 17)

### Changes in accounting policies

#### *New standards, amendments and interpretations effective from 1 January 2025*

On 1 January 2025, the Group adopted the new or amended SFRS(I) and interpretations to SFRS(I) that are mandatory for application for the financial year. The adoption of these standards did not result in significant changes to the Group's accounting policies and had no material impact to the Group's financial statements.

#### *New standards, amendments and interpretations issued but not yet effective*

There are a number of standards, amendments to standards, and interpretations that are effective in future accounting periods and the Group has not decided to early adopt. The Group does not expect any of these standards upon adoption will have a material impact to the Group, except as disclosed below:

#### *SFRS(I) 18 Presentation and Disclosure in Financial Statements*

The SFRS(I) 18 replaces SFRS(I) 1-1 *Presentation of Financial Statements* and provides guidance on presentation and disclosure in financial statements, focus on the statement of profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2. Basis of preparation (Continued)

*Changes in accounting policies* (Continued)

*New standards, amendments and interpretations issued but not yet effective* (Continued)

*SFRS(I) 18 Presentation and Disclosure in Financial Statements* (Continued)

SFRS(I) 18 introduces:

- New structure on statement of profit or loss with defined subtotals;
- Disclosure related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by accounting standards with adjustments made (e.g. 'adjusted profit or loss'). A reconciliation of MPMs to the nearest total or subtotal calculated in accordance with accounting standards; and
- Enhanced principles on aggregation and disaggregation of financial information which apply to the primary financial statements and notes in general.

SFRS(I) 18 will take effect on 1 January 2027 and management anticipates that the new requirements will change the current presentation and disclosure in the financial statements. An impact assessment regarding the adoption of SFRS(I) 18 is still underway and has not yet been completed.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 3. Property, plant and equipment

	Building \$'000	Freehold property \$'000	Leasehold properties \$'000	Office plant and equipment \$'000	Plant and machinery \$'000	Total \$'000
<b>Group</b>						
<b>Cost</b>						
Balance at 1 January 2025	300	2,137	5,199	10,491	122	18,249
Additions	-	-	-	382	-	382
Disposals	-	-	-	(420)	(28)	(448)
Written off	-	-	-	(229)	(91)	(320)
Currency translation adjustment	6	38	(133)	(320)	-	(409)
Balance at 31 December 2025	306	2,175	5,066	9,904	3	17,454
<b>Accumulated depreciation</b>						
Balance at 1 January 2025	60	-	1,278	9,429	115	10,882
Depreciation for the financial year	9	-	99	611	-	719
Disposals	-	-	-	(409)	(26)	(435)
Written off	-	-	-	(228)	(87)	(315)
Currency translation adjustment	1	-	(38)	(276)	-	(313)
Balance at 31 December 2025	70	-	1,339	9,127	2	10,538
<b>Carrying amount</b>						
Balance at 31 December 2025	236	2,175	3,727	777	1	6,916

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 3. Property, plant and equipment (Continued)

	Building	Freehold property	Leasehold properties	Office plant and equipment	Plant and machinery	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>						
<b>Cost</b>						
Balance at						
1 January 2024	320	2,280	5,130	10,183	1,516	19,429
Additions	-	-	-	518	-	518
Disposals	-	-	-	(310)	(1,371)	(1,681)
Written off	-	-	-	(95)	(23)	(118)
Currency translation adjustment	(20)	(143)	69	195	-	101
Balance at						
31 December 2024	300	2,137	5,199	10,491	122	18,249
<b>Accumulated depreciation</b>						
Balance at						
1 January 2024	54	-	1,160	8,923	1,194	11,331
Depreciation for the financial year	10	-	99	723	40	872
Disposals	-	-	-	(305)	(1,096)	(1,401)
Written off	-	-	-	(95)	(23)	(118)
Currency translation adjustment	(4)	-	19	183	-	198
Balance at						
31 December 2024	60	-	1,278	9,429	115	10,882
<b>Carrying amount</b>						
Balance at						
31 December 2024	240	2,137	3,921	1,062	7	7,367

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 3. Property, plant and equipment (Continued)

	Office plant and equipment \$'000	Plant and machinery \$'000	Total \$'000
<b>Company</b>			
<b>Cost</b>			
Balance at 1 January 2025	2,335	122	2,457
Additions	119	-	119
Disposals	(155)	(28)	(183)
Written off	(19)	(91)	(110)
Balance at 31 December 2025	2,280	3	2,283
<b>Accumulated depreciation</b>			
Balance at 1 January 2025	2,178	116	2,294
Depreciation for the financial year	99	-	99
Disposals	(145)	(27)	(172)
Written off	(19)	(87)	(106)
Balance at 31 December 2025	2,113	2	2,115
<b>Carrying amount</b>			
Balance at 31 December 2025	167	1	168
<b>Cost</b>			
Balance at 1 January 2024	2,342	1,516	3,858
Additions	7	-	7
Disposals	-	(1,371)	(1,371)
Written off	(14)	(23)	(37)
Balance at 31 December 2024	2,335	122	2,457
<b>Accumulated depreciation</b>			
Balance at 1 January 2024	2,075	1,194	3,269
Depreciation for the financial year	117	40	157
Disposals	-	(1,095)	(1,095)
Written off	(14)	(23)	(37)
Balance at 31 December 2024	2,178	116	2,294
<b>Carrying amount</b>			
Balance at 31 December 2024	157	6	163

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 3. Property, plant and equipment (Continued)

The details of the Group's freehold property & building are as follows:

Location	Description	Tenure
Suite 309/50 Holt Street, Surry Hills, New South Wales 2010, Australia	General office unit	Freehold

The details of the Group's leasehold properties are as follows:

Location	Description	Tenure
18 Boon Lay Way #04-108 TradeHub 21, Singapore 609966	General office unit	60 years leasehold from 10 December 2003
18 Boon Lay Way #04-110 TradeHub 21, Singapore 609966	General office unit	60 years leasehold from 10 December 2003
18 Boon Lay Way #04-111 TradeHub 21, Singapore 609966	General office unit	60 years leasehold from 10 December 2003
18 Boon Lay Way #05-113 TradeHub 21, Singapore 609966	General office unit	60 years leasehold from 10 December 2003
18 Boon Lay Way #05-114 TradeHub 21, Singapore 609966	General office unit	60 years leasehold from 10 December 2003
18 Boon Lay Way #06-109 TradeHub 21, Singapore 609966	General office unit	60 years leasehold from 10 December 2003
18 Boon Lay Way #06-110 TradeHub 21, Singapore 609966	General office unit	60 years leasehold from 10 December 2003
18 Boon Lay Way #06-111 TradeHub 21, Singapore 609966	General office unit	60 years leasehold from 10 December 2003

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 3. Property, plant and equipment (Continued)

### *Material accounting policy information*

Property, plant and equipment is recognised at cost less accumulated depreciation. Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives, on the following bases:

	Years
Building	40
Leasehold properties	Over the lease terms of 25 to 56
Office plant and equipment	1 to 5
Plant and machinery	8
- Factory machinery	8
- Other factory equipment	5

Freehold property which comprises freehold land is not depreciated.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 4. Investment properties

	Company	
	2025 \$'000	2024 \$'000
<b>Cost</b>		
Balance at beginning and end of financial year	2,791	2,791
<b>Accumulated depreciation</b>		
Balance at beginning of financial year	601	545
Depreciation for the financial year	55	56
Balance at end of financial year	656	601
<b>Carrying value</b>		
At end of financial year	2,135	2,190

The following amounts are recognised in profit or loss:

	Company	
	2025 \$'000	2024 \$'000
Rental income from investment properties	149	149
Direct operating expenses (including repairs and maintenance) arising from rental-generating investment properties	25	24

The details of the Company's investment properties are as follows:

Location	Description	Tenure
18 Boon Lay Way #04-108 TradeHub 21, Singapore 609966	General office unit	60 years leasehold from 10 December 2003
18 Boon Lay Way #04-110 TradeHub 21, Singapore 609966	General office unit	60 years leasehold from 10 December 2003
18 Boon Lay Way #04-111 TradeHub 21, Singapore 609966	General office unit	60 years leasehold from 10 December 2003

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 4. Investment properties (Continued)

The Company leased out its investment properties to its subsidiaries, M.Tech Holdings Pte. Ltd. and M.Tech Products Pte Ltd, under cancellable operating leases. At Group level, these investment properties were accounted for as leasehold properties in Note 3 to the financial statements.

The fair value of the Company's investment properties as at 31 December 2025 was approximately \$3,321,000 (2024: \$2,674,000). The fair value was determined by the management using the Direct Sale Comparison approach, making reference to market evidence of transacted prices per square metre for comparable properties in similar locations. In estimating the fair value of the investment properties, the highest and best use of the properties has been considered. Management considered that the fair value of the investment properties was sensitive to these unobservable adjustments made for differences in size, tenure and type used to determine the price per square metre.

Any changes to the unobservable inputs, to the extent that they increase or decrease the price per square metre, will result in a corresponding increase or decrease in the fair values of the properties.

There has been no change in the valuation technique of investment properties as at the end of the financial year. The resulting fair values of leasehold properties were considered level 3 recurring fair value measurements.

### Material accounting policy information

Investment properties, which are properties held to earn rentals and/or for capital appreciation are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses. Depreciation is charged, using the straight-line method, so as to write off the depreciable amounts over their estimated useful lives over the lease terms of 48 to 52 years. The residual values, useful lives and depreciation method of investment properties are reviewed and adjusted as appropriate, at the end of the financial year. The effects of any revision are included in profit or loss when the changes arise.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5. Investments in subsidiaries

	Company	
	2025 \$'000	2024 \$'000
Unquoted equity investments, at cost	317	317
Allowance for impairment losses	(317)	(317)
Carrying amount	-	-

Movements in allowance for impairment losses are as follows:

	Company	
	2025 \$'000	2024 \$'000
Balance at beginning and end of financial year	317	317



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows:

Name of company (Country of incorporation and principal place of business)	Proportion of ownership interest held		Proportion of ownership interest held by non-controlling interests		Principal activities
	2025	2024	2025	2024	
	%	%	%	%	
<b><i>Held by the Company</i></b>					
M.Tech Products Philippines, Inc. <sup>(g)</sup> (Philippines)	100	100	-	-	Distribution of hardware and software relating to internet and network products, and provision of maintenance services for such products
M.Tech Holdings Pte. Ltd. <sup>(a)</sup> (Singapore)	100	100	-	-	Investment holding, distribution of hardware and software relating to internet and network products and the provision of management and administration of the business functions and affairs of its subsidiaries and related company
<b><i>Held by M.Tech Holdings Pte. Ltd.</i></b>					
M.Tech Products Pte Ltd <sup>(a)</sup> (Singapore)	100	100	-	-	Distribution of hardware and software relating to internet and network products, and provision of maintenance services for such products
M-Solutions Technology (Thailand) Co., Ltd. <sup>(d),(e)</sup> (Thailand)	49	49	51	51	Distribution of hardware and software relating to internet and network products, and provision of maintenance services for such products

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows: (Continued)

Name of company (Country of incorporation and principal place of business)	Proportion of ownership interest held		Proportion of ownership interest held by non-controlling interests		Principal activities
	2025	2024	2025	2024	
	%	%	%	%	
<i>Held by M.Tech Holdings Pte. Ltd.</i> (Continued)					
M-Security Technology Sdn. Bhd. <sup>(b)</sup> (Malaysia)	100	100	-	-	Distribution of information technology products and related services
SecureOneAsia Pte. Ltd. <sup>(a)</sup> (Singapore)	100	100	-	-	Distribution of hardware and software relating to internet and network products, the provision of maintenance services for such products and provision of management services
M-Security Technology Indochina Pte. Ltd. <sup>(a)</sup> (Singapore)	100	100	-	-	Distribution of hardware and software relating to internet and network products, and provision of maintenance services for such products
M.Tech (Shanghai) Co., Ltd. <sup>(c)</sup> (People's Republic of China)	100	100	-	-	Distribution of hardware and software relating to internet and network products, and provision of maintenance services for such products
PT. M.Tech Products <sup>(f)</sup> (Indonesia)	99	99	1	1	Distribution of hardware and software relating to internet and network products, and provision of maintenance services for such products

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows: (Continued)

Name of company (Country of incorporation and principal place of business)	Proportion of ownership interest held		Proportion of ownership interest held by non-controlling interests		Principal activities
	2025	2024	2025	2024	
	%	%	%	%	
<i>Held by M.Tech Holdings Pte. Ltd.</i> (Continued)					
M.Tech Products (HK) Pte Limited <sup>(h)</sup> (Hong Kong)	100	100	-	-	Distribution of hardware and software relating to internet and network products, and provision of maintenance services for such products
M.Tech Products TW Pte. Ltd. <sup>(a)</sup> (Singapore)	100	100	-	-	Distribution of hardware and software relating to internet and network products, and provision of maintenance services for such products
M.Tech Products Aust Pty Limited <sup>(i)</sup> (Australia)	100	100	-	-	Distribution of hardware and software relating to internet and network products, and provision of maintenance services for such products
SecureOne India Holding Pte. Ltd. <sup>(a)</sup> (Singapore)	100	100	-	-	Distribution of hardware and software relating to internet and network products, and provision of maintenance services for such products

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows: (Continued)

Name of company (Country of incorporation and principal place of business)	Proportion of ownership interest held		Proportion of ownership interest held by non-controlling interests		Principal activities
	2025	2024	2025	2024	
	%	%	%	%	
<i>Held by M.Tech Holdings Pte. Ltd.</i> (Continued)					
M.Tech Products Japan Kabushiki Kaisha <sup>(i)</sup> (Japan)	100	100	-	-	Distribution of hardware and software relating to internet and network products and provision of maintenance services for such products
M.Tech Products New Zealand Limited <sup>(i)</sup> (New Zealand)	100	100	-	-	Distribution of hardware and software relating to internet and network products and provision of maintenance services for such products
M.Tech Products Korea Limited Liability Company <sup>(i)</sup> (South Korea)	100	100	-	-	Distribution of hardware and software relating to internet and network products and provision of maintenance services for such products

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows: (Continued)

Name of company (Country of incorporation and principal place of business)	Proportion of ownership interest held		Proportion of ownership interest held by non-controlling interests		Principal activities
	2025	2024	2025	2024	
	%	%	%	%	
<b><i>Held by M.Tech Products Pte Ltd</i></b>					
M.SaaS Solutions Pte. Ltd. <sup>(a)</sup> (Singapore)	100	100	-	-	Software consultancy and implementation services
<b><i>Held by SecureOneAsia Pte. Ltd.</i></b>					
M-Security Tech Philippines Inc. <sup>(g)</sup> (Philippines)	100	100	-	-	Distribution of hardware and software relating to internet and network products, and provision of maintenance services for such products
<b><i>Held by SecureOne India Holding Pte. Ltd.</i></b>					
M.Tech Solutions (India) Private Limited <sup>(f)</sup> (India)	99.99	99.99	0.01	0.01	Distribution of hardware and software relating to internet and network products, and provision of maintenance services for such products
<b><i>Held by M-Security Technology Indochina Pte. Ltd.</i></b>					
M-Security Technology Vietnam Company Limited <sup>(k)</sup> (Vietnam)	100	100	-	-	Provision of installation and related technical service of hardware and software relating to internet and network products and distribution of such products

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows: (Continued)

Name of company (Country of incorporation and principal place of business)	Proportion of ownership interest held		Proportion of ownership interest held by non-controlling interests		Principal activities
	2025	2024	2025	2024	
	%	%	%	%	
<b>Held by M.SaaS Solutions Pte. Ltd.</b>					
M.SaaS Lanka (Private) Limited <sup>(i)</sup> (Sri Lanka)	100	100	-	-	Provision of IT services, software license sales and hardware sales

Notes:

- (a) Audited by BDO LLP, Singapore
- (b) Audited by BDO PLT, Malaysia, a member firm of BDO International Limited
- (c) Audited by Jianguo Welsen Certified Public Accountants Co., Ltd., People's Republic of China
- (d) Audited by Dharmniti Auditing Co., Ltd, Thailand
- (e) Deemed to be a subsidiary as the Company has power, exposure to variable returns and the ability to use its power to affect those variable returns over the subsidiary.
- (f) Audited by KAP Tanubrata Sutanto Fahmi & Rekan, Indonesia, a member firm of BDO International Limited
- (g) Audited by Bermudez and Associates, Philippines
- (h) Audited by Keith Lam & Co., Hong Kong
- (i) Audited by BDO Audit Pty Ltd, Australia, a member firm of BDO International Limited
- (j) Not required to be audited and not considered as significant subsidiaries as defined under Rule 718 of the SGX Listing Manual
- (k) Audited by Nexia Stt Vietnam Co., Ltd, Vietnam
- (l) Audited by MSKA & Associates Chartered Accountants, India, a member firm of BDO International Limited for the consolidation financial statements purpose

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5. Investments in subsidiaries (Continued)

### *Investment in Thailand subsidiary*

The Company's subsidiary, M.Tech Holdings Pte. Ltd., holds 49% of shareholdings in its indirect subsidiary, M-Solutions Technology (Thailand) Co., Ltd ("MTTH").

There are loan agreements between the remaining shareholders (the "Borrowers") holding 51% in MTTH and their immediate holding company (the "Lender"), M.Tech Holdings Pte. Ltd., whereby the shares held by the Borrowers have been pledged to the Lender.

The terms of these pledge agreements include, inter alia:

- (a) the Borrowers agree to allow the Lenders to receive the dividends arising from the pledged shares; and
- (b) the Borrowers agree to appoint the Lenders to have rights to vote in the shareholders' meetings in place of the Borrowers.

Accordingly, the Group has determined that it has control of 100% of the voting rights in MTTH and MTTH has been consolidated as wholly-owned subsidiary of the Group.

### *Significant restriction*

Cash and bank balances of \$4,505,000 (2024: \$728,000), equivalent to RMB24,682,000 (2024: RMB3,938,000), held with subsidiaries in the People's Republic of China are subject to local exchange control regulations. These regulations place restrictions on exporting capital out of the country other than through dividends and thus significantly affect the Group's ability to access or use assets, and settle liabilities, of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5. Investments in subsidiaries (Continued)

### Non-coterminous year-end

The financial statements of M.Tech Solutions (India) Private Limited are made up to 31 March each year. This was the financial reporting date established when the subsidiary was incorporated, and a change of reporting date is not permitted/made because of local regulations. For the purpose of consolidation, the financial statements of M.Tech Solutions (India) Private Limited for the year ended 31 March 2025 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2025.

### Material accounting policy information

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from its involvement with the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides an impairment indicator of the asset concerned.

The financial statements of the subsidiaries are prepared for the same financial year end as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 6. Club memberships

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Cost</b>				
Balance at beginning of financial year	1,116	1,094	374	374
Currency translation adjustment	(41)	22	-	-
Balance at end of financial year	1,075	1,116	374	374
<b>Accumulated amortisation</b>				
Balance at beginning of financial year	118	104	-	-
Amortisation for the financial year	10	10	-	-
Currency translation adjustment	(7)	4	-	-
Balance at end of financial year	121	118	-	-
<b>Carrying value</b>				
Balance at end of financial year	954	998	374	374

Club memberships comprise memberships for golf clubs in Singapore. Club memberships of subsidiaries with carrying amount of \$130,000 (2024: \$147,000) which are subject to amortisation over their useful lives have remaining amortisation periods of 15 (2024: 16) years.

As at 31 December 2025, the Group and the Company had club memberships held in trust by employees and Directors of the Group and the Company with carrying amount of \$954,000 and \$374,000 (2024: \$998,000 and \$374,000) respectively.

### Material accounting policy information

For club membership with expiry date, amortisation is calculated using the straight-line method to allocate the cost over its estimated useful life of 28 years.

The amortisation periods and amortisation method of club memberships are reviewed at the end of each financial year. The effects of any revisions are recognised in profit or loss when changes arise.

For club memberships with no expiry dates, the carrying amounts of club membership are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 7. Right-of-use assets

	Properties \$'000	Office equipment \$'000	Total \$'000
<b>Group</b>			
<b>Cost</b>			
Balance at 1 January 2025	4,450	51	4,501
Additions	248	256	504
Written-off	(279)	-	(279)
Modification to lease terms	(279)	-	(279)
Currency translation adjustment	(129)	(7)	(136)
Balance at 31 December 2025	<u>4,011</u>	<u>300</u>	<u>4,311</u>
<b>Accumulated depreciation</b>			
Balance at 1 January 2025	2,405	30	2,435
Depreciation for the financial year	774	44	818
Written-off	(279)	-	(279)
Modification to lease terms	(127)	-	(127)
Currency translation adjustment	(56)	(2)	(58)
Balance at 31 December 2025	<u>2,717</u>	<u>72</u>	<u>2,789</u>
<b>Carrying amount</b>			
Balance at 31 December 2025	<u>1,294</u>	<u>228</u>	<u>1,522</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 7. Right-of-use assets (Continued)

	Properties \$'000	Office equipment \$'000	Total \$'000
<b>Group</b>			
<b>Cost</b>			
Balance at 1 January 2024	4,072	50	4,122
Additions	1,279	-	1,279
Written-off	(927)	-	(927)
Modification to lease terms	(29)	-	(29)
Currency translation adjustment	55	1	56
Balance at 31 December 2024	<u>4,450</u>	<u>51</u>	<u>4,501</u>
<b>Accumulated depreciation</b>			
Balance at 1 January 2024	2,335	19	2,354
Depreciation for the financial year	989	10	999
Written-off	(927)	-	(927)
Modification to lease terms	(16)	-	(16)
Currency translation adjustment	24	1	25
Balance at 31 December 2024	<u>2,405</u>	<u>30</u>	<u>2,435</u>
<b>Carrying amount</b>			
Balance at 31 December 2024	<u>2,045</u>	<u>21</u>	<u>2,066</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 7. Right-of-use assets (Continued)

	Properties \$'000
<b>Company</b>	
<b>Cost</b>	
Balance at 1 January 2025	164
Modification to lease term	(164)
Balance at 31 December 2025	-
<b>Accumulated depreciation</b>	
Balance at 1 January 2025	75
Depreciation for the financial year	13
Modification to lease term	(88)
Balance at 31 December 2025	-
<b>Carrying amount</b>	
Balance at 31 December 2025	-
<b>Cost</b>	
Balance at 1 January 2024 and 31 December 2024	164
<b>Accumulated depreciation</b>	
Balance at 1 January 2024	22
Depreciation for the financial year	53
Balance at 31 December 2024	75
<b>Carrying amount</b>	
Balance at 31 December 2024	89

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 7. Right-of-use assets (Continued)

The right-of-use assets are depreciated over the lease term as follows:

	Years
Properties	2 to 8
Office equipment	5

## 8. Deferred tax assets/(liabilities)

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Deferred tax assets	7,594	6,504	12	-
Deferred tax liabilities	(1,566)	(1,242)	-	-

Movements in deferred tax assets are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Balance at beginning of financial year	6,504	5,974	-	-
Credit to profit or loss	1,281	353	12	-
Currency translation adjustment	(191)	177	-	-
Balance at end of financial year	7,594	6,504	12	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 8. Deferred tax assets/(liabilities) (Continued)

Movements in deferred tax liabilities are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Balance at beginning of financial year	(1,242)	(1,423)	-	(7)
(Charge)/credit to profit or loss	(324)	181	-	7
Balance at end of financial year	(1,566)	(1,242)	-	-

The following are the major deferred tax assets recognised by the Group and the movements during the financial year.

	Provisions \$'000	Unutilised tax losses \$'000	Other temporary differences \$'000	Total \$'000
<b>Group</b>				
At 1 January 2025	5,942	257	305	6,504
Credit/(charge) to profit or loss	1,561	195	(475)	1,281
Currency translation adjustment	(164)	(30)	3	(191)
At 31 December 2025	7,339	422	(167)	7,594
At 1 January 2024	5,848	77	49	5,974
(Charge)/credit to profit or loss	(106)	182	277	353
Currency translation adjustment	200	(2)	(21)	177
At 31 December 2024	5,942	257	305	6,504

Deferred tax assets are recognised for provisions, unutilised tax losses and other deductible temporary differences to the extent that realisation of the related tax benefits through future taxable profits is probable.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 8. Deferred tax assets/(liabilities) (Continued)

The following are the major deferred tax liabilities recognised by the Group and the movements during the financial year.

	Other temporary differences \$'000	Total \$'000
<b>Group</b>		
At 1 January 2025	(1,242)	(1,242)
Charge to profit or loss	(324)	(324)
At 31 December 2025	<u>(1,566)</u>	<u>(1,566)</u>
At 1 January 2024	(1,423)	(1,423)
Credit to profit or loss	181	181
At 31 December 2024	<u>(1,242)</u>	<u>(1,242)</u>

At the end of the financial year, the aggregate amount of other temporary differences mainly associated with undistributed earnings of subsidiaries for which deferred tax liabilities have been recognised.

## 9. Financial asset, at FVOCI

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Balance at beginning of financial year	-	7	-	-
Fair value recognised in OCI (Note 21)	-	(7)	-	-
Balance at end of financial year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 9. Financial asset, at FVOCI (Continued)

The fair value of the Group's unquoted equity instruments was \$Nil as at 31 December 2024.

During the year, the Group derecognised the unquoted equity instruments. The fair value of these equity instruments at the date of derecognition was \$Nil. The cumulative gain or loss associated with this investment was transferred within equity.

## 10. Financial asset at fair value

	2025 \$'000	2024 \$'000
<b>Group and Company</b>		
Investment in life insurance plan, at FVPL	<b>4,966</b>	5,107
<b>Group</b>		
Derivative financial instruments, non-current	-	38
Derivative financial instruments, current	5	36
	<b>5</b>	74

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 10. Financial asset at fair value (Continued)

### *Investment in life insurance plan, at FVPL*

Movements in the investment in life insurance plan was as follows:

	Group and Company	
	2025	2024
	\$'000	\$'000
Balance at beginning of financial year	5,107	4,813
Fair value change recognised in profit or loss	142	147
Exchange differences charged to profit or loss	(283)	147
Balance at end of financial year	4,966	5,107

### *Material accounting policy information*

Debt instrument that does not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other income". The investment in life insurance plan pertains to the Jade Ultra Global Generations Universal Life Insurance Policy (the "Policy") purchased by the Company for a Director with a sum insured of US\$8,500,000 and a guaranteed return of 4.2% per annum with the 1 year lock-in period, after which, a variable return will be received, as determined by the insurer. On initial recognition, the single premium paid on the Policy amounted to US\$3,405,000, equivalent to approximately \$4,333,000. The investment is measured at fair value and changes therein are recognised in profit or loss.

### *Derivative financial instruments*

The Group uses forward currency contracts to manage some of its foreign currency transaction exposure. These contracts were not designated as cash flow or fair value hedges and were entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives did not qualify for hedge accounting.

The following details the foreign currency forward contracts outstanding as at financial year end:

	Group	
	2025	2024
	\$'000	\$'000
<b>Foreign currency forward contracts</b>		
<b>Contract/Notional amount</b>		
- United States dollar	574	991
<b>Fair value</b>	5	74

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 11. Trade and other receivables

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Non-current assets</b>				
Trade receivables – third parties	27,472	28,647	-	-
Loss allowance on third party trade receivables	(623)	(1,079)	-	-
	<b>26,849</b>	<b>27,568</b>		
<b>Current assets</b>				
Trade receivables – third parties	170,935	176,744	33	453
Loss allowance on third party trade receivables	(4,300)	(4,408)	-	(3)
	<b>166,635</b>	<b>172,336</b>	<b>33</b>	<b>450</b>
Non-trade receivables				
- third parties	1,447	1,424	37	17
- a subsidiary	-	-	36,300	36,923
	<b>168,082</b>	<b>173,760</b>	<b>36,370</b>	<b>37,390</b>
Advances to suppliers	2,505	4,540	-	-
Deposits	441	420	1	15
Value-added tax	1,834	3,117	-	-
Total current trade and other receivables	<b>172,862</b>	<b>181,837</b>	<b>36,371</b>	<b>37,405</b>
Total trade and other receivables	<b>199,711</b>	<b>209,405</b>	<b>36,371</b>	<b>37,405</b>

Non-current trade receivables due from third parties arising from revenue contracts with significant financing component (Note 23). These receivables are unsecured, non-interest bearing and expected to be settled within 2 to 6 years (2024: 2 to 5 years). The fair value of non-current trade receivables is computed based on cash flows discounted at market borrowing rates ranging from 1.20% to 14.21% (2024: 1.20% to 15.40%) and approximates the carrying amounts.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 11. Trade and other receivables (Continued)

Current trade receivables due from third parties are unsecured, non-interest bearing and generally on 30 to 120 (2024: 30 to 120) days credit terms.

The amount due from a subsidiary is unsecured, repayable on demand and bears interest rate of 5.2% (2024: 5.2%) per annum.

The Group and the Company recognise trade receivables in their statement of financial position from the provision of goods and services to customers. The trade receivables are initially recognised at fair value and are subsequently carried at amortised cost using effective interest rate method, less provision for impairment. Interest income from these trade receivables is included in interest income using the effective interest rate method.

### *Significant accounting estimates and assumptions*

#### *Loss allowance for impairment of trade and other receivables*

##### *Trade receivables from third parties*

As at 31 December 2025, the carrying amount of the Group's trade receivables comprise current and non-current trade receivables from third parties amounting to \$193,484,000 (2024: \$199,904,000), net of loss allowance of \$4,923,000 (2024: \$5,487,000). The recoverability of trade receivables from third parties is a key element of the Group's working capital management, which is managed on an ongoing basis by the Group's management.

The Group first assessed for credit impaired trade receivables from third parties that are long outstanding as of the reporting date based on the Group's ECL policy using the ageing analysis. Thereafter, the management applied the "simplified approach" for assessing ECL for trade receivables from third parties. Under the simplified approach, the Group's management developed a provision matrix using historical credit loss rates adjusted with forward looking information to reflect the effects of the current and future economic conditions in each geographical region, including their respective credit rating. On confirmation that the trade receivable will not be collectible, the gross carrying value of the asset is written off in profit or loss.

The Group's exposure to loss allowance for impairment of trade receivables are mainly customers operating in Singapore, Vietnam, Greater China, India and other countries. The following table details the Group's loss allowance sensitivity analysis of those regions based on respective fluctuation in ECL rate. If the ECL rate had been (higher)/lower than management's estimates, the Group would have recognised (higher)/lower loss allowance for impairment in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 11. Trade and other receivables (Continued)

*Significant accounting estimates and assumptions (Continued)*

*Loss allowance for impairment of trade and other receivables (Continued)*

*Trade receivables from third parties (Continued)*

	Group	
	2025	2024
	\$'000	\$'000
<i>Singapore</i>		
ECL rate increase by 0.4% (2024: 0.1%)	(410)	(106)
ECL rate decrease by 0.4% (2024: 0.1%)	410	106
<i>Vietnam</i>		
ECL rate increase by 0.3% (2024: 2.0%)	(27)	(97)
ECL rate decrease by 0.3% (2024: 2.0%)	27	97
<i>Greater China</i>		
ECL rate increase by 0.2% (2024: 1.8%)	(18)	(238)
ECL rate decrease by 0.2% (2024: 1.8%)	18	238
<i>India</i>		
ECL rate increase by 2.1% (2024: 1.2%)	(482)	(349)
ECL rate decrease by 2.1% (2024: 1.2%)	482	349
<i>Others</i>		
ECL rate increase by 0.1% (2024: 0.02%)	(44)	(9)
ECL rate decrease by 0.1% (2024: 0.02%)	44	9

*Non-trade receivables due from a subsidiary*

Management determines whether there is significant increase in credit risk of the amount of non-trade receivables due from the subsidiary since initial recognition. Management considers various operating performance ratios as well as the business model of the subsidiary in supporting the Group's operations as the procurement hub. There is no significant increase in credit risk as at 31 December 2025. The carrying amount of the non-trade receivable due from subsidiary was \$36,300,000 (2024: \$36,923,000) as at 31 December 2025.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 11. Trade and other receivables (Continued)

*Significant accounting estimates and assumptions* (Continued)

*Loss allowance for impairment of trade and other receivables* (Continued)

Movements in loss allowance on third party trade receivables were as follows:

	Group	
	2025	2024
	\$'000	\$'000
Balance at beginning of financial year	5,487	4,646
Loss allowance made during the financial year		
- (reversed)/made for lifetime expected credit loss, not credit impaired	(285)	1,053
- made/(reversed) for lifetime expected credit loss, credit impaired	444	(208)
Receivable written off as uncollectible	(419)	(52)
Currency translation adjustment	(304)	48
Balance at end of financial year	<u>4,923</u>	<u>5,487</u>

As at 31 December 2025, trade receivables of \$560,000 (2024: \$564,000) had been fully impaired. These receivables were due from customers located in various geographical areas and the debts were past due more than 5 months. Therefore, there was significant uncertainty over the recoverability of the debts.

During the financial year, previously impaired receivables written off as uncollectible amounted to \$419,000 (2024: \$52,000). Trade receivables are written off when there is no reasonable expectation of recovery. When receivables are written off, the Group continues to engage in enforcement activity in order to recover the receivables due. If the receivables are subsequently recovered, such recovery is recognised in profit or loss as "other income".

During the financial year, trade receivables of \$24,000 (2024: \$53,000) were written off as bad debts and charged to profit or loss as there was no reasonable expectation of recovery.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 11. Trade and other receivables (Continued)

The currency profiles of the Group's and the Company's trade and other receivables were as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Singapore dollar	6,448	14,909	18,056	14,269
United States dollar	135,479	140,390	18,315	23,136
Chinese renminbi	2,980	3,523	-	-
Thailand baht	6,568	4,573	-	-
Indian rupee	14,788	13,729	-	-
Ringgit Malaysia	14,183	12,790	-	-
New Taiwan dollar	673	1,984	-	-
Australian dollar	4,943	5,512	-	-
Indonesian rupiah	8,049	5,121	-	-
Philippine peso	719	1,357	-	-
Vietnamese dong	4,677	5,385	-	-
Others	204	132	-	-
	<b>199,711</b>	<b>209,405</b>	<b>36,371</b>	<b>37,405</b>

## 12. Prepayments

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Non-current	177	624	1	4
Current	1,281	1,556	130	85
	<b>1,458</b>	<b>2,180</b>	<b>131</b>	<b>89</b>

As at 31 December 2025, the Group's and the Company's prepayment of \$177,000 and \$1,000 (2024: \$624,000 and \$4,000) classified as non-current assets comprised prepaid license fee.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 13. Inventories

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trading goods	60,219	75,867	14	150

Cost in respect of chemicals and other PCB related products is determined on a weighted average basis. Cost in respect of IT products is determined based on the specific identification basis. The cost includes all costs of purchase and other costs in bringing the inventories to their present location and condition.

The cost of inventories recognised as an expense are included in "cost of sales" line item in profit or loss (Note 26).

### *Significant accounting estimates and assumptions*

Inventories are stated at the lower of cost and net realisable value. The management estimates the net realisable value of inventories based on assessment of receipt or committed sales prices and provides for excess and obsolete inventories based on historical and estimated future demand and related pricing. In determining excess quantities, the management considers recent sales activities, related margin and market positioning of the products. However, factors beyond its control, such as demand levels and pricing competition, could change from period to period. Such factors may require the Group and the Company to reduce the value of their inventories.

During the financial year, the Group carried out a review of the realisable values of its inventories and the review led to the recognition of an allowance for inventory obsolescence and inventories written off have been included in "cost of sales" line item in profit or loss (Note 26).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 14. Cash and bank balances

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Bank balances	41,616	43,596	2,397	1,600
Fixed deposits	57,838	40,184	17,896	11,229
Cash and bank balances	99,454	83,780	20,293	12,829
Fixed deposits with maturity >3 months	40	40		
	99,494	83,820		
Less: Fixed deposits pledged with banks	(49)	(49)		
Cash and cash equivalents as per consolidated statement of cash flows	99,445	83,771		

Fixed deposits placed has a tenure ranging from seven days to one year. The effective interest rates on the fixed deposits range from 0.10% to 3.96% (2024: 0.10% to 4.53%) per annum.

As at 31 December 2025, the fixed deposits of the Group amounting to \$49,000 (2024: \$49,000) were pledged to banks as security for certain banking facilities in foreign operations.

The currency profiles of the Group's and the Company's cash and bank balances were as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Singapore dollar	14,624	9,837	477	1,091
United States dollar	69,291	55,060	19,795	11,719
Chinese renminbi	4,393	642	-	-
Ringgit Malaysia	1,005	4,535	-	-
New Taiwan dollar	527	590	-	-
Thailand baht	2,439	3,249	-	-
Indian rupee	1,110	4,692	-	-
Australian dollar	1,740	1,844	-	-
Indonesian rupiah	2,478	814	-	-
Philippine peso	67	832	-	-
Vietnamese dong	1,332	1,124	-	-
Others	488	601	21	19
	99,494	83,820	20,293	12,829

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 15. Trade and other payables

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Non-current payables</b>				
Trade payables – third parties	21,718	22,687	-	-
<b>Current payables</b>				
Trade payables				
- third parties	130,873	141,098	9	44
Non-trade payables				
- third parties	4,746	4,626	18	15
Accrued operating expenses	12,126	13,448	6,608	7,762
Value-added tax	2,842	2,305	81	82
Total current trade and other payables	150,587	161,477	6,716	7,903
Total trade and other payables	172,305	184,164	6,716	7,903

Non-current trade payables due to vendors arising from arrangements entered into in connection with the revenue contracts with significant financing component (Note 11).

Trade and other payables, excluding value-added tax, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Trade and non-trade payables are unsecured, non-interest bearing and are generally on 30 to 90 (2024: 30 to 90) days credit terms except for non-current trade payables which will be repayable within 2 to 6 years (2024: 2 to 5 years). The fair value of the non-current trade payables is computed based on cash flows discounted at market borrowing rates ranging from 1.20% to 12.50% (2024: 1.20% to 15.40%) and approximates the carrying amount.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 15. Trade and other payables (Continued)

The currency profiles of the Group's and the Company's trade and other payables were as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Singapore dollar	12,302	12,803	6,707	7,860
United States dollar	143,775	155,393	2	38
Chinese renminbi	849	1,316	-	-
Ringgit Malaysia	1,698	1,826	-	-
Thailand baht	1,800	1,703	-	-
Australian dollar	4,279	3,549	-	-
New Taiwan dollar	329	1,060	-	-
Indonesian rupiah	620	191	-	-
Indian rupee	4,895	4,230	-	-
Philippine peso	396	463	-	-
Vietnamese dong	1,230	1,516	-	-
Others	132	114	7	5
	<b>172,305</b>	<b>184,164</b>	<b>6,716</b>	<b>7,903</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 16. Lease liabilities

	Properties \$'000	Office equipment \$'000	Total \$'000
<b>Group</b>			
Balance at 1 January 2025	2,167	22	2,189
Additions	247	40	287
Modification to lease terms	(161)	-	(161)
Interest expense	133	2	135
Lease payments			
- Principal portion	(744)	(38)	(782)
- Interest portion	(133)	(2)	(135)
Currency translation adjustment	(93)	1	(92)
Balance at 31 December 2025	<u>1,416</u>	<u>25</u>	<u>1,441</u>
Balance at 1 January 2024	1,877	31	1,908
Additions	1,257	-	1,257
Modification to lease terms	(13)	-	(13)
Interest expense	172	1	173
Lease payments			
- Principal portion	(957)	(10)	(967)
- Interest portion	(172)	(1)	(173)
Currency translation adjustment	3	1	4
Balance at 31 December 2024	<u>2,167</u>	<u>22</u>	<u>2,189</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 16. Lease liabilities (Continued)

	Properties \$'000	Office equipment \$'000	Total \$'000
<b>Company</b>			
Balance at 1 January 2025	100	-	100
Modification to lease term	(85)	-	(85)
Lease payments			
- Principal portion	(15)	-	(15)
Balance at 31 December 2025	-	-	-
Balance at 1 January 2024	147	-	147
Interest expense	7	-	7
Lease payments			
- Principal portion	(47)	-	(47)
- Interest portion	(7)	-	(7)
Balance at 31 December 2024	100	-	100

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 16. Lease liabilities (Continued)

The maturity analysis of lease liabilities of the Group and the Company were as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Contractual undiscounted cash flows</b>				
- Within one year	808	921	-	62
- After one year but within five years	760	1,535	-	42
	<b>1,568</b>	<b>2,456</b>	-	<b>104</b>
Less: Future interest expense	(127)	(267)	-	(4)
Present value of lease liabilities	<b>1,441</b>	<b>2,189</b>	-	<b>100</b>
Presented in statements of financial position				
- Current	728	787	-	59
- Non-current	713	1,402	-	41
	<b>1,441</b>	<b>2,189</b>	-	<b>100</b>

The Group and the Company lease a number of properties (i.e. offices) and the Group leases office equipment (i.e. copier machines and motor vehicles) with fixed payments over the lease term.

Certain office equipment of the Group is qualified for low value assets and the Group also leases certain properties on the short-term basis (i.e. 12 months or less). The election of short-term leases is made by class of underlying assets with similar nature and use in the Group's operation whereas the low-value lease exemption is made on lease-by-lease basis.

The total cash outflows for all leases including low value and short-term leases for the Group and the Company were \$1,115,000 and \$15,000 (2024: \$1,281,000 and \$54,000) respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 16. Lease liabilities (Continued)

Certain leases of the Group are secured over the right-of-use assets. The right-of-use office equipment with a carrying amount of \$228,000 (2024: \$21,000) are secured over the lease liabilities of \$25,000 (2024: \$22,000). These assets will be seized and returned to lessor in the event of default by the Group.

As at 31 December 2025, the Group has an aggregate undiscounted short-term lease commitment of \$59,000 (2024: \$38,000).

As at 31 December 2025, the average incremental borrowing rate applied in the lease liabilities measurement was 6.01% (2024: 6.38%).

The currency profiles of the Group's and the Company's lease liabilities were as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Singapore dollar	25	121	-	100
United States dollar	23	93	-	-
Chinese renminbi	140	186	-	-
Ringgit Malaysia	227	264	-	-
New Taiwan dollar	183	237	-	-
Thailand baht	148	252	-	-
Indonesian rupiah	82	193	-	-
Indian rupee	520	762	-	-
Vietnamese dong	33	55	-	-
Others	60	26	-	-
	<b>1,441</b>	<b>2,189</b>	<b>-</b>	<b>100</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 17. Provision

### *Provision for post-sales technical support*

Provisions are recognised when the Group has a constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, a reliable estimate can be made of the amount of the obligation.

Movements in provision for post-sales technical support were as follows:

	Group	
	2025 \$'000	2024 \$'000
Balance at beginning of financial year	25,161	25,107
Provisions made	26,504	33,796
Provisions utilised	(24,022)	(34,485)
Currency translation adjustment	(803)	743
Balance at end of financial year	26,840	25,161

During the financial year, the Group re-presented the provision for post-sales technical support separately from trade and other payables - accrued operating expenses (Note 15). Accordingly, the prior year's comparative figures have been reclassified to enhance the comparability with current financial year's financial statements.

### *Significant accounting estimates and assumptions*

The provision for post-sales technical support represents management's best estimate of the present value of the future economic outflows that will be required for the IT products sold. Provision for post-sales technical support is based on the volumes of IT products sold along with the utilisation trend for the past three financial years to establish an estimate of the costs to resolve various potential post-sales technical support requests from customers. Changes in the utilisation rate could consequently impact the Group's results and financial position.

If the utilisation rate had been 0.5% (2024: 0.5%) higher than management's estimates, the Group would have recognised an additional provision for post-sales technical support of \$120,000 (2024: \$172,000) in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 18. Provision for post-employee benefits

	Group	
	2025 \$'000	2024 \$'000
Provision for post-employee benefits		
- Indonesia	873	738
- India <sup>(a)</sup>	654	433
- Thailand <sup>(a)</sup>	249	447
	<b>1,776</b>	<b>1,618</b>

Note:

<sup>(a)</sup> During the financial year, the Group re-classified the provision for post-employee benefits from trade and other payables (Note 15). Accordingly, the prior year's comparative figures have been reclassified to enhance the comparability with current financial year's financial statements.

### Indonesia

The Group recognises provision for post-employment benefits for all its permanent employees in Indonesia in accordance with Indonesian Labour Law No. 13/2003. The program is not funded by the Group. The provision is based on an actuarial calculation by an independent actuary using the "Projected Unit Credit Method".

	Group	
	2025 \$'000	2024 \$'000
Provision for employee service entitlement benefits		
- Post-employment benefit program ("Plan A")	830	703
- Other long-term employee benefit program ("Plan B")	43	35
	<b>873</b>	<b>738</b>
Present value of provision for post-employee benefits		
Currency alignment	938	737
Net benefit liability	(65)	1
	<b>873</b>	<b>738</b>

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the financial year reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 18. Provision for post-employee benefits (Continued)

Indonesia (Continued)

The amounts recognised in profit or loss in respect of these employee benefits were as follows:

	Group	
	2025 \$'000	2024 \$'000
Current services costs	110	105
Interest costs	47	41
Actuarial gain	2	1
Foreign exchange rate effect	2	1
	<b>161</b>	<b>148</b>

Changes in the present value of the provision for post-employee benefits were as follows:

	Group	
	2025 \$'000	2024 \$'000
Balance at beginning of financial year	738	637
Charge to profit or loss	161	148
Net remeasurements of post-employee benefits recognised in other comprehensive income	46	(34)
Repayment made during the financial year	(7)	(14)
Currency realignment	(65)	1
Balance at end of financial year	<b>873</b>	<b>738</b>

Defined benefit costs comprise the following:

- service cost;
- net interest on the net defined benefit liability or asset; and
- remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 18. Provision for post-employee benefits (Continued)

### Indonesia (Continued)

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate as disclosed in Note 18 to the financial statements to the net defined benefit liability or assets. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

The cost of providing for employee benefits is calculated by independent actuaries. The actuarial valuations were carried out using the following key assumptions:

	Group	
	2025	2024
Financial assumptions:		
Annual discount rate - Plan A	6.50%	7.25%
- Plan B	4.00%	4.70%
Annual salary growth rate	10%	10%
Demographic assumptions:		
Retirement age	56 years	56 years

The weighted average duration of the post-employee benefits at the end of the financial year is 13.96 years (2024: 14.86 years).

Significant actuarial assumptions for the determination of the defined obligation are annual discount rate and annual salary growth. No sensitivity analysis is disclosed as the effect of a reasonably possible change to one actuarial assumption, holding all other assumptions constant, will not have a significant effect on the defined obligation valuations.

### India and Thailand

Management has assessed that the provision for post-employment benefits relating to the India and Thailand regions is not material to the financial statements. Accordingly, detailed disclosures have not been presented.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 19. Share capital

	Group and Company			
	2025	2024	2025	2024
	Number of ordinary shares			
	'000	'000	\$'000	\$'000
Issued and fully-paid				
Balance at beginning and end of financial year	90,095	90,095	37,288	37,288

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

## 20. Foreign currency translation account

Foreign currency translation account comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency and is not distributable.

## 21. Other reserves

	Group	
	2025	2024
	\$'000	\$'000
Premium on acquisition of non-controlling interests	(1,043)	(1,043)
Fair value reserve	-	(439)
China statutory reserve	289	289
Thailand statutory reserve	41	41
	(713)	(1,152)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 21. Other reserves (Continued)

### Premium on acquisition of non-controlling interests

Premium on acquisition of non-controlling interests is the effect of transactions with non-controlling interests if there are no changes in control and the transactions will no longer result in goodwill or gains or losses.

### Fair value reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of financial assets measured at FVOCI until they are derecognised. Upon derecognition, the cumulative fair value changes will be transferred to retained earnings.

### China statutory reserve

According to the relevant regulations in the People's Republic of China ("PRC") and the Articles of Association of the PRC subsidiaries, they are required to transfer 10% of their profit after income tax to the statutory reserve until the reserve balance reaches 50% of their registered capital. The transfer of this reserve must be made before the distribution of dividends to shareholders. Statutory reserve can be used to make good previous years' losses, if any, and may be converted into paid-in capital in proportion to the existing interests of owners, provided that the balance after conversion is not less than 25% of the registered capital.

### Thailand statutory reserve

Under the provisions of the Civil and Commercial Code of Thailand, the subsidiary in Thailand is required to set aside as legal reserve at least 5% of its profit at each dividend declaration until the reserve reaches 10% of authorised capital. The reserve is not available for dividend distribution. The subsidiary in Thailand had already appropriated retained earnings as legal reserve amounting to Thailand baht 1,000,000 (or \$41,000) equivalent to 10% of the authorised capital.

The movements of the other reserves of the Group are presented in the consolidated statement of changes in equity.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 22. Retained earnings

Movements of retained earnings of the Company were as follows:

	Company	
	2025 \$'000	2024 \$'000
Balance at beginning of financial year	13,028	14,906
Total comprehensive income for the financial year	29,850	22,087
Dividends (Note 29)	(22,794)	(23,965)
Balance at end of financial year	<u>20,084</u>	<u>13,028</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 23. Revenue

### Disaggregation of revenue

The Group has disaggregated revenue into various categories in the following table:

	Point in time		Group		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>IT business</b>						
- Distribution of IT products	639,016	666,645	-	-	639,016	666,645
- In-house maintenance services	-	-	9,053	9,584	9,053	9,584
- Professional services	5,268	5,562	-	-	5,268	5,562
- Training services	89	183	-	-	89	183
<b>PCB business</b>						
- PCB services	137	885	-	-	137	885
- Distribution of PCB related products	288	564	-	-	288	564
	<b>644,798</b>	<b>673,839</b>	<b>9,053</b>	<b>9,584</b>	<b>653,851</b>	<b>683,423</b>
<b>Rental</b>						
IT					74	90
PCB					-	171
					<b>653,925</b>	<b>683,684</b>

### Material accounting policy information

#### IT business

The Group's IT business involves mainly distribution of hardware, software, vendor maintenance and vendor professional services relating to internet and network products ("IT products"). These products provide the Group's customers with security and network performance requirements – from cloud access security, advanced threat prevention and data-centric security to network system management, monitoring and optimisation.

The Group also employs a regional team of certified pre and post sales engineers to support the technical needs such as maintenance ("in-house maintenance services") of the products that IT business distributes. In-house maintenance services can be subscribed by the Group's customers for period ranging from twelve to eighty-four months. The Group's engineers deliver their in-house maintenance service either remotely via tele-conferencing, remote access via network connections or on-site service support.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 23. Revenue (Continued)

### Disaggregation of revenue (Continued)

#### Material accounting policy information (Continued)

#### IT business (Continued)

The Group's revenue from IT business professional services is derived from the following areas:

- IT consultancy, solution design, scoping implementation, technical refresh for end-of-support equipment;
- On-site deployment, implementation and migration;
- Software/firmware upgrade; and
- Ad-hoc services for emergency needs and requirements.

#### i) Distribution of IT products

Revenue is recognised at point in time when control of the products has been transferred, being when the goods are delivered to the customers, the customers have full discretion to direct the use of the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the goods. Delivery occurs when the risk of obsolescence and loss have been transferred, and being acknowledged by customers for in-country sales. Whereas, for oversea sales, acknowledgement is in accordance with the shipping incoterms. Revenue is shown net of value-added tax, rebates, and discounts after eliminating sales within the Group.

The products sold to certain customers are subject to volume rebates based on aggregate sales over a specific period. Revenue from these sales is recognised based on the price specified in the contract, net of estimated volume rebate. Accumulated experience is applied to estimate and provide for the volume rebate, using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The balances are included in contract liabilities as 'rebate to customers' as disclosed below.

There is also an element of significant financing component in the Group's revenue transactions as customers as disclosed in Note 11 to the financial statements. Other than financing given to customers, the Group will bill the customers in advance when the customers is new to the Group or has exceeded their credit limits. These balances are presented as 'deposits received' within contract liabilities as disclosed below.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 23. Revenue (Continued)

### Disaggregation of revenue (Continued)

#### Material accounting policy information (Continued)

#### IT business (Continued)

##### i) Distribution of IT products (Continued)

Included in certain contracts with customers, there are IT products with zero sales value being bundled together, hence management allocates the transaction price to all items included in the contracts based on expected cost-plus margin approach. When the value of goods delivered to customer exceeds the invoiced amount, a contract asset is recognised. When the invoiced amount exceeds the value of goods delivered, 'advance billings' are recognised and presented within contract liabilities as disclosed below.

Deferred revenue represents unrecognised revenue from maintenance contracts expiring in future financial periods and presented within contract liabilities as disclosed below.

The Group offers volume rebates to certain distribution contracts in IT business and presented within contract liabilities. Revenue is presented net of rebates accrued.

All products sold by the Group includes standard warranty which are the responsibility of the Group's suppliers who owns the intellectual property rights of the products distributed. However, the Group has the obligation through its business practice to provide post-sales technical support with the expertise and oversight by the Group's suppliers to ensure the IT products will function as intended and comply with the agreed-upon specifications by the customers. The provision for post-sales technical support is disclosed in Note 17 to the financial statements.

##### ii) In-house maintenance services

Revenue is recognised over time on a straight-line basis over the term of the in-house maintenance service level agreement.

##### iii) Professional services

Revenue is recognised at a point in time when the customer has accepted or acknowledged on the services performed.

##### iv) Rental services

Revenue is recognised over time on a straight-line basis over the term of the agreement.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 23. Revenue (Continued)

### Disaggregation of revenue (Continued)

#### Material accounting policy information (Continued)

##### IT business (Continued)

###### v) Training services

Revenue is recognised at a point in time upon the completion of the training programme.

##### PCB business

The Group's PCB business operates as a value-added supplier to PCB fabricators. The PCB business is in two main areas:

- provision of PCB related services to PCB fabricators; and
  - distribution of other PCB related products and rental of machines to PCB fabricators.
- i) PCB related services
- Revenue from rendering of PCB related services is recognised at point in time upon the completion of services. Customers are invoiced upon the completion of services.
- ii) Distribution of PCB related products
- Revenue is recognised at point in time when control of the products has been transferred, being when the goods are delivered to the customers, and there is no unfulfilled obligation that could affect the customers' acceptance of the products.
- iii) Rental of machines
- Rental income from leasing of PCB drilling machines is recognised over time on a straight-line basis over the term of the relevant leases.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 23. Revenue (Continued)

### Contract assets and contract liabilities

	Group	
	2025	2024
	\$'000	\$'000
<b>Contract assets</b>		
Contract assets	1,637	2,359
Less: Loss allowance	(28)	(31)
	<u>1,609</u>	<u>2,328</u>
<b>Contract liabilities</b>		
Advance billings	6,376	3,048
Deposits received	6,235	8,609
Deferred revenue	9,188	9,633
Rebate to customers	7,686	7,277
Total contract liabilities	<u>29,485</u>	<u>28,567</u>
Presented in statements of financial position		
- Current	25,698	24,730
- Non-current	3,787	3,837
	<u>29,485</u>	<u>28,567</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 23. Revenue (Continued)

### Contract assets and contract liabilities (Continued)

#### a) Significant changes in contract assets and contract liabilities

	Group			
	Contract assets		Contract liabilities	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Balance at beginning of financial year	2,328	1,148	28,567	35,005
Excess of revenue recognised over cash	1,487	3,417	-	-
Transfer to trade receivables	(2,094)	(2,278)	-	-
Loss allowance reversed/ (recognised)	1	(12)	-	-
Balance recognised as revenue during the financial year	-	-	(18,984)	(25,550)
Invoice issued during the year and not recognised as revenue	-	-	21,360	18,293
Currency translation adjustment	(113)	53	(1,458)	819
Balance at end of financial year	<b>1,609</b>	<b>2,328</b>	<b>29,485</b>	<b>28,567</b>

#### b) Remaining performance obligations

Certain delivery of IT products and in-house maintenance services have been entered into for which both:

- the Group's right to consideration does not correspond directly with the performance; and
- the original contractual period was greater than 12 months.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 23. Revenue (Continued)

### Contract assets and contract liabilities (Continued)

#### b) Remaining performance obligations (Continued)

The amount of revenue that will be recognised in future periods on these contracts when those remaining performance obligations will be satisfied is analysed as follows:

	2025	2026	2027	2028	2029	2030	2031	2032	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2025</b>									
Deferred revenue		5,401	2,057	1,017	406	298	5	4	9,188
<b>2024</b>									
Deferred revenue	5,796	2,015	1,010	465	184	163	-	-	9,633

The Group has applied the practical expedient in paragraph 121 of SFRS(I) 15 to its revenue contracts with customers hence, the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts which had an original expected duration of one year or less.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 24. Other income

	Group	
	2025 \$'000	2024 \$'000
Commission income	236	263
Fair value change in financial asset, FVPL	142	147
Fair value change in derivative financial instruments	-	78
Freight income	79	52
Foreign exchange gain, net	-	224
Gain on disposal of property, plant and equipment	64	366
Gain on lease modifications	9	-
Government grant	368	206
Third party trade and other payables written off	809	927
Scrap sales	2	3
Service fee income	307	326
Others	19	80
	<b>2,035</b>	<b>2,672</b>

### Material accounting policy information

#### *Commission income*

When the Group and the Company act in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group and the Company. Commission income is recognised at a point in time upon the completion of a transaction in which the commission relates to.

#### *Grants*

Grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relate to expenditures, which are not capitalised, the fair value of grants is credited to profit or loss as and when the underlying expenses are included and recognised in profit or loss to match such related expenditures. Grants which are receivable in relation to expenses to be incurred in a subsequent financial period, are included as deferred government grants and classified as non-trade receivables and payables.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 25. Finance costs

	Group	
	2025 \$'000	2024 \$'000
Interest expenses:		
- bank borrowings	-	6
- lease liabilities	135	173
- interest accretion on non-current payables	3,497	1,394
	<b>3,632</b>	<b>1,573</b>

## 26. Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges:

	Group	
	2025 \$'000	2024 \$'000
<i>Cost of sales</i>		
Cost of inventories	530,507	552,377
Allowance made for inventory obsolescence	6,517	1,277
Inventories written off	1,946	501
Depreciation of property, plant and equipment	-	40

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 26. Profit before income tax (Continued)

	Group	
	2025 \$'000	2024 \$'000
<i>Selling and distribution costs</i>		
Marketing and promotion	3,860	4,708
Entertainment	2,481	2,343
Sales commission	3,932	4,381
Travelling	330	410
<i>Administrative and other expenses</i>		
Amortisation of club memberships	10	10
Depreciation of property, plant and equipment	719	832
Depreciation of right-of-use assets	818	999
Fair value change in derivative financial instruments	69	-
Foreign exchange loss, net	687	-
Third party trade receivables written off	24	53
Directors' fees		
– Directors of the Company	325	265
Audit fees		
- auditor of the Company	190	225
- other auditors – network firms	61	75
- other auditors – non-network firms	76	69
Non-audit fees		
(i) Non-audit related services		
- auditor of the Company	12	3
- other auditors – network firms	32	32
- other auditors – non-network firms	19	20
Lease expenses		
- short-term leases	191	131
- low value assets	7	10
Property, plant and equipment written off	5	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 26. Profit before income tax (Continued)

There are no audit-related services paid/payable to BDO LLP and its network member firms and other auditors for the financial year ended 31 December 2025 and 31 December 2024.

The profit before income tax also includes:

	Group	
	2025	2024
	\$'000	\$'000
Employee benefits expense		
- salaries and other short-term benefits	36,297	43,673
- defined contribution plan	3,972	3,634
	<u>40,269</u>	<u>47,307</u>

The employee benefits expense is recognised in the following line items of profit or loss:

	Group	
	2025	2024
	\$'000	\$'000
Cost of sales	15	163
Selling and distribution costs	27,860	28,426
Administrative and other expenses	12,394	18,718
	<u>40,269</u>	<u>47,307</u>

Included in the employee benefits expense were key management remuneration as disclosed in Note 32 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 27. Income tax expense

	Group	
	2025 \$'000	2024 \$'000
Current income tax		
- current financial year	6,770	8,259
- over provision in prior financial years	(398)	(57)
- withholding tax	1,114	333
	<b>7,486</b>	<b>8,535</b>
Deferred tax		
- current financial year	(473)	(374)
- over provision in prior financial years	(484)	(160)
	<b>(957)</b>	<b>(534)</b>
Total income tax expense recognised in profit or loss	<b>6,529</b>	<b>8,001</b>

Domestic income tax is calculated at 17% (2024: 17%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 27. Income tax expense (Continued)

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2024: 17%) to profit before income tax as a result of the following differences:

	Group	
	2025 \$'000	2024 \$'000
Profit before income tax	<b>32,968</b>	38,819
Income tax calculated at applicable income tax rate of 17%	<b>5,605</b>	6,599
Effect of different income tax rates in other countries	<b>765</b>	570
Effect of expenses not deductible for income tax purposes	<b>57</b>	857
Effect of partial tax exemption and tax relief	<b>(146)</b>	(211)
Deferred tax assets not recognised	<b>67</b>	167
Utilisation of deferred tax assets not recognised previously	<b>(55)</b>	(127)
Over provision of current income tax in prior financial years	<b>(398)</b>	(57)
Over provision of deferred tax in prior financial years	<b>(484)</b>	(160)
Withholding tax	<b>1,114</b>	333
Others	<b>4</b>	30
	<b>6,529</b>	8,001

Unrecognised deferred tax assets are reassessed at the end of the financial year and are recognised to the extent that it has become probable that future taxable profits will be available against which the temporary differences can be utilised.

### *Unrecognised deferred tax assets*

	Group	
	2025 \$'000	2024 \$'000
Balance at beginning of financial year	<b>481</b>	779
Utilised during the financial year	<b>(55)</b>	(127)
Amount not recognised during the financial year	<b>67</b>	167
Reassessment of unrecognised deferred tax assets in prior financial years	<b>86</b>	(342)
Currency translation adjustment	<b>(42)</b>	4
Balance at end of financial year	<b>537</b>	481

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 27. Income tax expense (Continued)

*Unrecognised deferred tax assets* (Continued)

Unrecognised deferred tax assets are attributable to:

	Group	
	2025	2024
	\$'000	\$'000
Unutilised tax losses	368	355
Other temporary differences	169	126
	<b>537</b>	<b>481</b>

As at 31 December 2025, the Group had unrecognised tax losses of approximately \$1,838,000 (2024: \$1,746,000) available for offset against future taxable profits subject to the agreement by the tax authorities and provisions of the tax legislations of the respective countries in which the Group operates. No deferred tax assets have been recognised in respect of such losses as the management is not confident that there will be sufficient future taxable profits to realise these future benefits. Accordingly, these deferred tax assets have not been recognised in the consolidated financial statements of the Group in accordance with its accounting policy.

## 28. Earnings per share

The calculation for earnings per share is based on:

	Group	
	2025	2024
Profit after income tax attributable to owners of the Company (\$'000)	<b>26,439</b>	30,818
Actual number of ordinary shares in issue during the financial year applicable to basic earnings per share ('000)	<b>90,095</b>	90,095
Earnings per share (in cents)		
- Basic and diluted	<b>29.35</b>	34.21

Basic earnings per share is calculated by dividing the net profit for the financial year attributable to owners of the Company by the actual number of ordinary shares in issue during the financial year. As the Group has no dilutive potential ordinary shares, the diluted earnings per share is equivalent to basic earnings per share for the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 29. Dividends

	Group and Company	
	2025 \$'000	2024 \$'000
Interim tax-exempt dividends paid of \$0.111 per share in respect of financial year ended 31 December 2025	10,000	-
Final tax-exempt dividends paid of \$0.142 per share in respect of financial year ended 31 December 2024	12,794	-
Interim tax-exempt dividends paid of \$0.111 per share in respect of financial year ended 31 December 2024	-	10,000
Final tax-exempt dividends paid of \$0.155 per share in respect of financial year ended 31 December 2023	-	13,965
	<u>22,794</u>	<u>23,965</u>

Dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared for payment. Final dividends are recorded in the financial year in which the dividends are approved by shareholders.

The Directors of the Company recommend a final tax-exempt (one tier) dividends of \$0.200 (2024: \$0.142) per ordinary share amounting to approximately \$18,019,000 (2024: \$12,793,000) be paid in respect of current financial year. The dividends have not been recognised as a liability as at the end of the financial year as it is subject to approval by shareholders at the Annual General Meeting of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 30. Contingent liabilities

- i) As at 31 December 2025 and 31 December 2024, the Company had given guarantees to subsidiary of which no drawn down has been made.
- ii) M.Tech Solutions (India) Pvt. Ltd ('MTIN'), an indirect wholly owned subsidiary of the Group, is in dispute with various regulatory authorities in India arising from transactions conducted in the ordinary course of business.

In May 2022, MTIN received an order issued by Office Of The Commissioner of Central Tax Bengaluru North Commissionerate in relation to availment of Cenvat Credit in the amount of INR 48,678,500 (approximately S\$677,000) (including interest and penalty). MTIN has subsequently filed writ petition with High Court of Karnataka to challenge the order as unlawful and unjustified.

In December 2022, MTIN received an order issued by Office of The Commissioner of Customs (Adjudication) in Delhi which sought to demand additional duty (including interest and penalty) of INR 624,265,404 (approximately S\$8,677,000) relating to classification of category and valuation of imported products. MTIN has subsequently filed writ petition with High Court of Karnataka to challenge the order as unlawful and unjustified.

MTIN's legal advisor is of the opinion that MTIN has a strong case based on merits and keeping in mind past rulings for similar issues. Hence, the above matters were not disclosed in prior financial periods because the possibility of having to pay these claims were deemed remote.

To date, both petitions are still pending before the High Court of Karnataka. While MTIN is still challenging and disputing these orders from the relevant authorities in India and believes that they are without merit, given the passage of time and the continued uncertainty surrounding the outcome of the above cases, the Group has considered that it appropriate to disclose these matters at this stage in the financial statements for the year ended 31 December 2025. The Group will continue to monitor closely the progress and the developments of the above matters with the assistance of its legal advisors.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 31. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors who make strategic decisions.

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker.

Management considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in these primary geographic areas: Singapore, Greater China, India, Vietnam and other countries. These locations are engaged in the distribution of PCB and distribution of IT products.

The Group has two reportable segments being PCB business and IT business.

The PCB business segment provides PCB related services to PCB fabricators and distributes specialty chemicals and other PCB-related products and equipment to PCB manufacturers and rental of machines.

The IT business segment relates to the distribution of hardware and software relating to internet and network products and the provision of maintenance services for such products.

The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

Management monitors the operating results of the segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operation profit or loss which is similar to the accounting profit or loss.

Income taxes are managed on a Group basis.

The accounting policies of the operating segments are consistent with those applied in the preparation of these financial statements and those material accounting policy information are disclosed in respective notes. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense not including non-recurring gains and losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss from 2024.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 31. Segment information (Continued)

The Group accounts for intersegment sales and transfer as if the sales or transfers were to third parties, which approximate market prices. These intersegment transactions are eliminated on consolidation.

	← Singapore →		Greater China	India	Vietnam	Others	Elimination and adjustments	Total
	IT business	PCB business	IT business	IT business	IT business	IT business		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
<b>2025</b>								
Revenue								
- External sales	393,202	425	40,340	35,298	22,765	161,895	-	653,925
- Inter-segment sales	1	-	-	-	-	-	(1)	-
Total revenue	<u>393,203</u>	<u>425</u>	<u>40,340</u>	<u>35,298</u>	<u>22,765</u>	<u>161,895</u>	<u>(1)</u>	<u>653,925</u>
<b>2024</b>								
Revenue								
- External sales	391,509	1,620	37,516	70,597	18,959	163,483	-	683,684
- Inter-segment sales	5	-	-	-	-	-	(5)	-
Total revenue	<u>391,514</u>	<u>1,620</u>	<u>37,516</u>	<u>70,597</u>	<u>18,959</u>	<u>163,483</u>	<u>(5)</u>	<u>683,684</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 31. Segment information (Continued)

	IT business \$'000	PCB business \$'000	Elimination and adjustments \$'000	Total \$'000
<b>2025</b>				
<b>Segment results</b>				
Interest income	6,045	428	-	6,473
Interest expense	(3,632)	-	-	(3,632)
Depreciation of property, plant and equipment	(565)	(154)	-	(719)
Other non-cash items:				
- Gain on disposal of property, plant and equipment	59	5	-	64
- Amortisation of club memberships	(10)	-	-	(10)
- Depreciation of right-of-use assets	(805)	(13)	-	(818)
- Third party trade receivables written off	(24)	-	-	(24)
- Inventories written off	(1,944)	(2)	-	(1,946)
- Property, plant and equipment written off	(1)	(4)	-	(5)
- Unrealised foreign exchange gain/(loss)	978	(1,585)	-	(607)
- Allowance (made)/reversed for inventory obsolescence	(6,540)	23	-	(6,517)
- (Loss allowance)/reversal of allowance on third party trade receivables and contract assets	(161)	3	-	(158)
- Fair value change in financial asset, at FVPL	-	142	-	142
- Fair value change in derivative financial instruments	(69)	-	-	(69)
Segment profit/(loss)	<b>34,914</b>	<b>(1,946)</b>	-	<b>32,968</b>
<b>Reportable segment assets</b>	<b>348,702</b>	<b>28,152</b>	-	<b>376,854</b>
- Deferred tax assets				7,594
- Current income tax recoverable				5,890
Total Group's assets				<b>390,338</b>
Included in the segment assets:				
Additions:				
- Property, plant and equipment	263	119	-	382
- Right-of-use assets	504	-	-	504
<b>Reportable segment liabilities</b>	<b>225,131</b>	<b>6,716</b>	-	<b>231,847</b>
- Deferred tax liabilities				1,566
- Current income tax payables				4,679
Total Group's liabilities				<b>238,092</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 31. Segment information (Continued)

	IT business \$'000	PCB business \$'000	Elimination and adjustments \$'000	Total \$'000
<b>2024</b>				
<b>Segment results</b>				
Interest income	3,970	732	-	4,702
Interest expense	(1,567)	(6)	-	(1,573)
Depreciation of property, plant and equipment	(659)	(213)	-	(872)
Other non-cash items:				
- Gain on disposal of property, plant and equipment	56	310	-	366
- Amortisation of club memberships	(10)	-	-	(10)
- Depreciation of right-of-use assets	(946)	(53)	-	(999)
- Third party trade receivables written off	(53)	-	-	(53)
- Inventories written off	(501)	-	-	(501)
- Unrealised foreign exchange (loss)/gain	(1,313)	982	-	(331)
- Allowance (made)/reversed for inventory obsolescence	(1,284)	7	-	(1,277)
- Loss allowance on third party trade receivables and contract assets	(856)	(1)	-	(857)
- Fair value change in financial asset, at FVPL	-	147	-	147
- Fair value change in derivative financial instruments	78	-	-	78
Segment profit	<u>38,818</u>	<u>1</u>	<u>-</u>	<u>38,819</u>
<b>Reportable segment assets</b>	<b>367,740</b>	<b>21,472</b>	<b>-</b>	<b>389,212</b>
- Deferred tax assets				6,504
- Current income tax recoverable				6,714
Total Group's assets				<u>402,430</u>
Included in the segment assets:				
Additions:				
- Property, plant and equipment	511	7	-	518
- Right-of-use assets	1,279	-	-	1,279
<b>Reportable segment liabilities</b>	<b>233,697</b>	<b>8,002</b>	<b>-</b>	<b>241,699</b>
- Deferred tax liabilities				1,242
- Current income tax payables				5,281
Total Group's liabilities				<u>248,222</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 31. Segment information (Continued)

### Geographical information

The Group's two business segments operate in four main geographical areas. Revenue is based on the country in which the customer is located.

#### *Revenue from external customers*

	Singapore \$'000	Greater China \$'000	India \$'000	Vietnam \$'000	Others \$'000	Group \$'000
<b>2025</b>						
Revenue from external customers	<u>288,820</u>	<u>43,777</u>	<u>35,277</u>	<u>108,507</u>	<u>177,544</u>	<u>653,925</u>
<b>2024</b>						
Revenue from external customers	<u>304,012</u>	<u>38,917</u>	<u>68,137</u>	<u>94,013</u>	<u>178,605</u>	<u>683,684</u>

#### *Location of non-current assets*

	Singapore \$'000	Greater China \$'000	India \$'000	Vietnam \$'000	Others \$'000	Group \$'000
<b>2025</b>						
Non-current assets	<u>5,504</u>	<u>436</u>	<u>487</u>	<u>105</u>	<u>3,037</u>	<u>9,569</u>
<b>2024</b>						
Non-current assets	<u>5,942</u>	<u>546</u>	<u>845</u>	<u>246</u>	<u>3,476</u>	<u>11,055</u>

Non-current assets consist of property, plant and equipment, right-of-use assets, club memberships and prepayments as presented in the consolidated statement of financial position of the Group.

#### *Major customers*

Revenue derived from one customer (2024: one customer) of the Group's IT business was approximately \$81,756,000 (2024: \$100,052,000) which contributed 10 percent or more of the Group's revenue in the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 32. Significant related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions between the Group and Company and its related parties during the financial year at rates and terms agreed between the parties:

	Company	
	2025 \$'000	2024 \$'000
<b>With subsidiaries</b>		
Advances made to a subsidiary	22,078	16,492
Interest on advances made to a subsidiary	2,020	1,703
Payment on behalf for	175	267
Dividend income	29,944	20,315
Rental income	149	149
Service fee	9,574	8,717

As at 31 December 2025 and 2024, the outstanding balances in respect of the above related party transactions are disclosed in Note 11 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 32. Significant related party transactions (Continued)

### Compensation of key management personnel

The remuneration of Directors and other members of the key management personnel of the Group and the Company during the financial year was as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Salaries and other short-term benefits (other than fees)	8,979	9,902	8,498	9,542
Post-employment benefits	98	90	86	86
Directors' fees	325	265	325	265
	<b>9,402</b>	<b>10,257</b>	<b>8,909</b>	<b>9,893</b>

The above includes the following remuneration to the Directors of the Company:

	Group	
	2025 \$'000	2024 \$'000
Salaries and other short-term benefits (other than fees)	7,434	8,571
Post-employment benefits	38	38
Directors' fees	325	265
	<b>7,797</b>	<b>8,874</b>

## 33. Financial instruments, financial risks and capital management

The Group's and the Company's activities expose them to credit risk, market risk (including interest rate risk and foreign exchange risk), and liquidity risk. The Group's and the Company's overall risk management strategy seek to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The Board of Directors of the Company is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The Group's and the Company's management then establish the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's and the Company's exposures to these financial risks or the manner in which they manage and measure these risks.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. Financial instruments, financial risks and capital management (Continued)

### 33.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company are mainly exposed to credit risk from credit sales. It is the Group policy, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

The management has established a credit policy under which each new customer is reviewed for creditworthiness before the Group's payment and delivery terms and conditions are offered. The Group's review includes external ratings, and customers' financials, when available. Credit limits are established for each customer.

The management determines concentrations of credit risk through a monthly review of the trade receivables' ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their geography and ageing. Within each group, geographical economics and geographical credit rating are analysed. The average historical loss rate is computed for each group. Customers are assessed individually for any period-end receivables if specific information is available and the expected credit losses are estimated to be 100%. Evidence that a customer is credit-impaired includes observable data such as significant financial difficulty of the customer, breach of contract such as a default or past due event or it is becoming probable that the customer will enter bankruptcy or other financial reorganisation.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

The Group and the Company do not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for the top three trade receivables from third parties amounting to approximately \$57,216,000 and \$29,000 (2024: \$55,509,000 and \$414,000) respectively as at 31 December 2025.

The Group's and the Company's major classes of financial assets are bank deposits and trade and other receivables. The bank deposits are held in financial institutions which are independently rated parties with minimum rating "BBB" and above.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. Financial instruments, financial risks and capital management (Continued)

### 33.1 Credit risk (Continued)

The credit risk for trade receivables and contract assets based on the information provided to the Group's and the Company's management as at the end of the financial year was as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>IT business</b>				
- Current	162,483	164,315	-	-
- Past due 0 to 1 month	22,505	15,717	-	-
- Past due over 1 to 2 months	5,814	9,958	-	-
- Past due over 2 to 5 months	5,373	13,264	-	-
- Past due over 5 months	3,836	4,043	-	-
	<b>200,011</b>	<b>207,297</b>	-	-
<b>PCB business</b>				
- Current	21	117	21	117
- Past due 0 to 1 month	6	137	6	137
- Past due over 1 to 2 months	6	83	6	83
- Past due over 2 to 5 months	-	116	-	116
	<b>33</b>	<b>453</b>	<b>33</b>	<b>453</b>
	<b>200,044</b>	<b>207,750</b>	<b>33</b>	<b>453</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. Financial instruments, financial risks and capital management (Continued)

### 33.1 Credit risk (Continued)

Trade receivables and contract assets that are neither past due nor impaired are substantially companies with good collection track record with the Group and the Company.

As at each financial year end, the lifetime expected loss provision, excluding credit impaired balances, for the Group's and the Company's trade receivables and contract assets are as follows:

	Singapore \$'000	Vietnam \$'000	Greater China \$'000	India \$'000	Others \$'000	Total \$'000
<b>2025</b>						
<b>Group</b>						
<u>IT business</u>						
Expected loss rate	1.6%	2.7%	0.6% to 2.4%	6.8%	0.0% to 4.3%	
Gross carrying amount						
- Trade receivables	102,450	9,136	10,991	22,933	52,304	197,814
- Contract assets	1,128	287	94	7	121	1,637
	103,578	9,423	11,085	22,940	52,425	199,451
Loss allowance						
- Trade receivables	1,639	246	203	1,559	716	4,363
- Contract assets	18	8	-	1	1	28
<u>PCB business</u>						
Expected loss rate	1.0%	-	-	-	-	
Gross carrying amount						
- Trade receivables	33	-	-	-	-	33
Loss allowance	-*	-	-	-	-	-*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. Financial instruments, financial risks and capital management (Continued)

### 33.1 Credit risk (Continued)

	Singapore \$'000	Vietnam \$'000	Greater China \$'000	India \$'000	Others \$'000	Total \$'000
<b>2025</b>						
<b>Group</b>						
<b>Total</b>						
Gross carrying amount						
- Trade receivables	102,483	9,136	10,991	22,933	52,304	197,847
- Contract assets	1,128	287	94	7	121	1,637
	103,611	9,423	11,085	22,940	52,425	199,484
Loss allowance						
- Trade receivables	1,639	246	203	1,559	716	4,363
- Contract assets	18	8	-	1	1	28
	1,657	254	203	1,560	717	4,391
Net carrying amount						
- Trade receivables	100,844	8,890	10,788	21,374	51,588	193,484
- Contract assets	1,110	279	94	6	120	1,609
	101,954	9,169	10,882	21,380	51,708	195,093
<b>2025</b>						
<b>Company</b>						
<b>PCB business</b>						
Expected loss rate	1.0%					
Gross carrying amount						
- Trade receivables	33	-	-	-	-	33
Loss allowance	.*	-	-	-	-	.*
Net carrying amount						
- Trade receivables	33	-	-	-	-	33

\* Less than \$1,000

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. Financial instruments, financial risks and capital management (Continued)

### 33.1 Credit risk (Continued)

	Singapore \$'000	Vietnam \$'000	Greater China \$'000	India \$'000	Others \$'000	Total \$'000
<b>2024</b>						
<b>Group</b>						
<u>IT business</u>						
Expected loss rate	1.2%	3.0%	1.3% to 1.8%	8.9%	0.0% to 4.3%	
Gross carrying amount						
- Trade receivables	105,626	4,843	12,997	29,045	51,863	204,374
- Contract assets	2,082	141	-	16	120	2,359
	107,708	4,984	12,997	29,061	51,983	206,733
Loss allowance						
- Trade receivables	1,260	146	186	2,576	752	4,920
- Contract assets	25	4	-	2	-	31
<u>PCB business</u>						
Expected loss rate	0.7%	-	-	-	-	
Gross carrying amount						
- Trade receivables	453	-	-	-	-	453
Loss allowance	3	-	-	-	-	3
<u>Total</u>						
Gross carrying amount						
- Trade receivables	106,079	4,843	12,997	29,045	51,863	204,827
- Contract assets	2,082	141	-	16	120	2,359
	108,161	4,984	12,997	29,061	51,983	207,186
Loss allowance						
- Trade receivables	1,263	146	186	2,576	752	4,923
- Contract assets	25	4	-	2	-	31
	1,288	150	186	2,578	752	4,954
Net carrying amount						
- Trade receivables	104,816	4,697	12,811	26,469	51,111	199,904
- Contract assets	2,057	137	-	14	120	2,328
	106,873	4,834	12,811	26,483	51,231	202,232

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. Financial instruments, financial risks and capital management (Continued)

### 33.1 Credit risk (Continued)

	Singapore \$'000	Vietnam \$'000	Greater China \$'000	India \$'000	Others \$'000	Total \$'000
<b>2024</b>						
<b>Company</b>						
<b>PCB business</b>						
Expected loss rate	0.7%	-	-	-	-	
Gross carrying amount						
- Trade receivables	453	-	-	-	-	453
Loss allowance	3	-	-	-	-	3
Net carrying amount						
- Trade receivables	450	-	-	-	-	450

For amount due from a subsidiary (Note 11), management has taken into account the available internal information on the subsidiary's past, current and expected operating performance and cash flow position. The management monitors and assesses at the end of financial year on any indicator of significant increase in credit risk on the amount due from the subsidiary, by considering their performance ratio and any default in external debts. The risk of default is considered to be minimal as the subsidiary has sufficient liquid assets to repay its debt. Therefore, amount due from a subsidiary has been measured based on 12-month expected credit loss model and subject to insignificant credit loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. Financial instruments, financial risks and capital management (Continued)

### 33.1 Credit risk (Continued)

#### *Cash and bank balances*

The cash and bank balances are held with the financial institutions with the following credit ratings:

	Rating	Group		Rating	Company	
		Bank balance \$'000	Fixed deposits \$'000		Bank balance \$'000	Fixed deposits \$'000
<b>2025</b>						
International banks	AA/A	41,612	57,878	AA/A	2,397	17,896
Domestic banks	BAA/BBB	4	-		-	-
	Note 14	<u>41,616</u>	<u>57,878</u>		<u>2,397</u>	<u>17,896</u>
<b>2024</b>						
International banks	AA/A	43,562	40,224	AA/A	1,600	11,229
Domestic banks	BAA/BBB	34	-		-	-
	Note 14	<u>43,596</u>	<u>40,224</u>		<u>1,600</u>	<u>11,229</u>

The credit ratings above are derived from the international credit rating agencies. The management monitors the credit ratings of counterparties regularly. Impairment of cash and bank balances has been measured based on 12-month expected credit loss model. At the end of financial year, the Group and the Company did not expect any credit losses from non-performance by the counterparties.

### 33.2 Market risk

#### *Foreign exchange risk management*

Currency risk arises from transactions denominated in currencies other than the functional currencies of the entities within the Group and the Company. The currencies that give rise to this risk are primarily United States dollar, Singapore dollar and Indonesian rupiah.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. Financial instruments, financial risks and capital management (Continued)

### 33.2 Market risk (Continued)

#### *Foreign exchange risk management (Continued)*

The Group and the Company monitor their foreign currency exchange risks closely and maintain funds in various currencies to minimise currency exposure due to timing differences between sales and purchases. Currency translation risk arises when commercial transactions, recognised assets and liabilities and net investment in foreign operations are denominated in a currency that is not the entity's functional currency.

It is not the Group's and the Company's policy to take speculative positions in foreign currencies. Where appropriate, the Group and the Company enter into foreign currency forward contracts with its principal bankers to mitigate the foreign currency risks (mainly export sales and import purchases).

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the financial year were as follows:

	Assets		Liabilities	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
United States dollar	66,895	76,465	66,757	92,921
Singapore dollar	20,661	25,335	24,207	19,403
Indonesian rupiah	10,527	5,935	702	384
Others	140	179	230	264
<b>Company</b>				
United States dollar	38,110	34,855	2	38
Others	21	19	7	5

#### *Foreign currency sensitivity analysis*

The Group's exposure to foreign currency risk are mainly United States dollar, Singapore dollar and Indonesian rupiah. The Company's exposure to foreign currency risk is mainly United States dollar.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. Financial instruments, financial risks and capital management (Continued)

### 33.2 Market risk (Continued)

*Foreign exchange risk management (Continued)*

*Foreign currency sensitivity analysis (Continued)*

The following table details the Group's and the Company's sensitivity to a 7% (2024: 6%) change in United States dollar, Singapore dollar and Indonesian rupiah against the functional currencies respectively. The sensitivity analysis assumes an instantaneous 7% (2024: 6%) change in the foreign currency exchange rates from the end of the financial year, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items denominated in United States dollar, Singapore dollar and Indonesian rupiah are included in the analysis.

	Profit or loss	
	2025 \$'000	2024 \$'000
<b>Group</b>		
<i>United States dollar</i>		
Strengthens against functional currencies	10	(987)
Weakens against functional currencies	(10)	987
<i>Singapore dollar</i>		
Strengthens against functional currencies <sup>#</sup>	(248)	356
Weakens against functional currencies <sup>#</sup>	248	(356)
<i>Indonesian rupiah</i>		
Strengthens against functional currencies <sup>#</sup>	688	333
Weakens against functional currencies <sup>#</sup>	(688)	(333)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. Financial instruments, financial risks and capital management (Continued)

### 33.2 Market risk (Continued)

*Foreign exchange risk management (Continued)*

*Foreign currency sensitivity analysis (Continued)*

	Profit or loss	
	2025	2024
	\$'000	\$'000
<b>Company</b>		
<i>United States dollar</i>		
Strengthens against Singapore dollar	2,668	2,089
Weakens against Singapore dollar	<u>(2,668)</u>	<u>(2,089)</u>

# Primarily United States dollar

### 33.3 Liquidity risk

Liquidity risk refers to the risk in which the Group and the Company encounter difficulties in meeting their short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group and the Company actively manage their operating cash flows so as to finance the Group's and the Company's operations. As part of their overall prudent liquidity management, the Group and the Company minimise liquidity risk by ensuring the availability of funding through an adequate amount of committed credit facilities from financial institutions and maintain sufficient levels of cash to meet their working capital requirement.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. Financial instruments, financial risks and capital management (Continued)

### 33.3 Liquidity risk (Continued)

#### *Contractual maturity analysis*

The following tables detail the Group's and the Company's remaining contractual maturity for their non-derivative financial liabilities. The tables have been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to receive or pay.

	Within one year \$'000	After one year but within five years \$'000	After five years \$'000	Total \$'000
<b>Group</b>				
<b>2025</b>				
<b>Financial liabilities</b>				
Non-interest bearing				
- Trade and other payables <sup>(1)</sup>	147,745	24,438	117	172,300
Interest bearing				
- Lease liabilities	808	760	-	1,568
	<u>148,553</u>	<u>25,198</u>	<u>117</u>	<u>173,868</u>
<b>2024</b>				
<b>Financial liabilities</b>				
Non-interest bearing				
- Trade and other payables <sup>(1)</sup>	159,172	26,565	-	185,737
Interest bearing				
- Lease liabilities	921	1,535	-	2,456
	<u>160,093</u>	<u>28,100</u>	<u>-</u>	<u>188,193</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. Financial instruments, financial risks and capital management (Continued)

### 33.3 Liquidity risk (Continued)

*Contractual maturity analysis (Continued)*

	Within one year \$'000	After one year but within five years \$'000	Total \$'000
<b>Company</b>			
<b>2025</b>			
<b>Financial liabilities</b>			
Non-interest bearing			
- Trade and other payables <sup>(1)</sup>	6,635	-	6,635
<b>2024</b>			
<b>Financial liabilities</b>			
Non-interest bearing			
- Trade and other payables <sup>(1)</sup>	7,821	-	7,821
Interest bearing			
- Lease liabilities	62	42	104
	7,883	42	7,925

<sup>(1)</sup> Excludes value-added tax

The Group's operations are financed mainly through equity, retained earnings and lease liabilities, if any. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

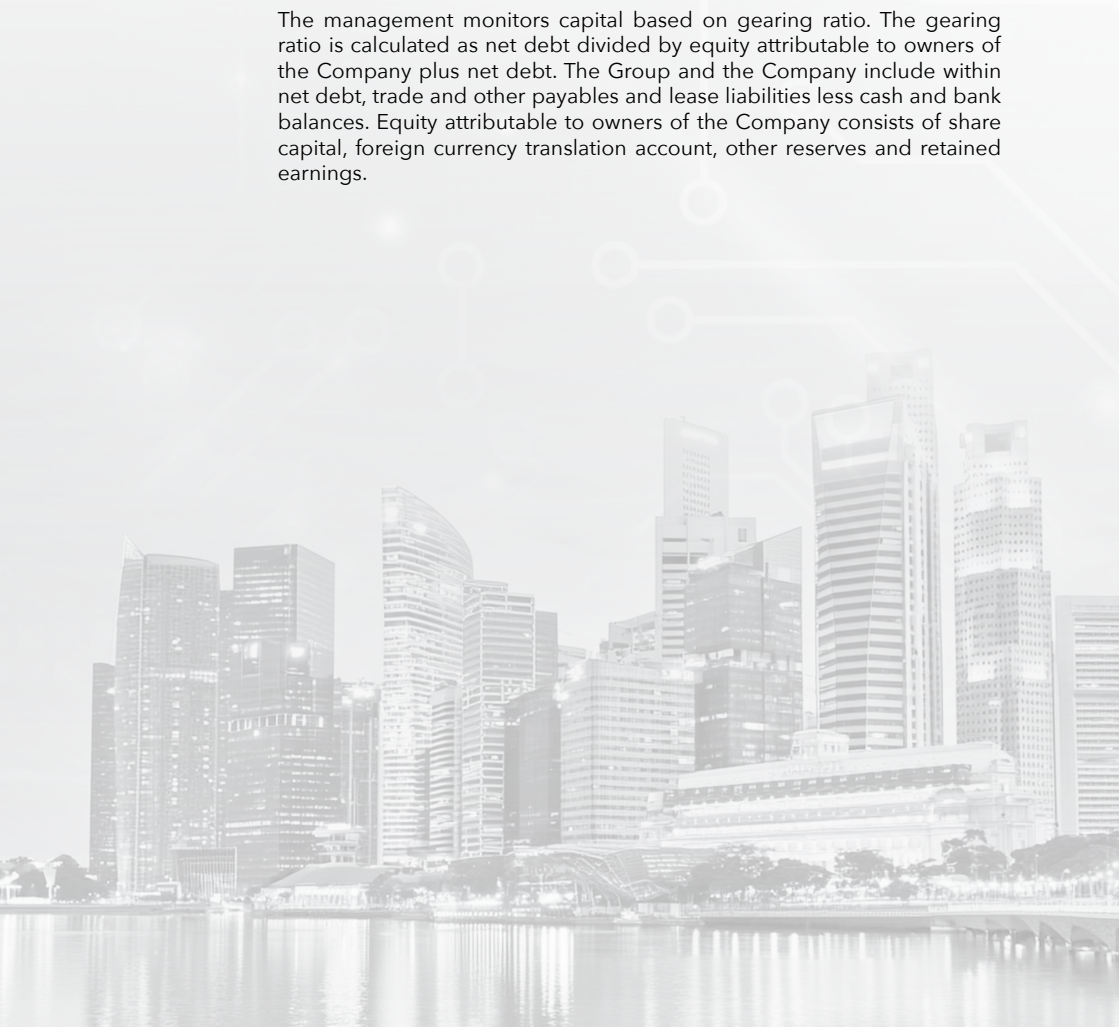
## 33. Financial instruments, financial risks and capital management (Continued)

### 33.4 Capital management policies and objectives

The Group and the Company manage capital to ensure that the Group and the Company are able to continue as going concern and to maintain an optimal capital structure so as to maximise shareholders' value.

The management constantly reviews the capital structure to ensure the Group and the Company are able to service any debt obligations (include principal repayment and interests) based on their operating cash flows. The Group's and the Company's overall strategy remains unchanged from 2024.

The management monitors capital based on gearing ratio. The gearing ratio is calculated as net debt divided by equity attributable to owners of the Company plus net debt. The Group and the Company include within net debt, trade and other payables and lease liabilities less cash and bank balances. Equity attributable to owners of the Company consists of share capital, foreign currency translation account, other reserves and retained earnings.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. Financial instruments, financial risks and capital management (Continued)

### 33.4 Capital management policies and objectives (Continued)

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade and other payables	172,305	184,164	6,716	7,903
Lease liabilities	1,441	2,189	-	100
Less: Cash and bank balances	(99,494)	(83,820)	(20,293)	(12,829)
Net debt	74,252	102,533	(13,577)	(4,826)
Equity attributable to owners of the Company	152,246	154,208	57,372	50,316
Total capital	226,498	256,741	43,795	45,490
Gearing ratio (%)	33	40	N/M	N/M

\*N/M: Not meaningful

The Group and the Company are in compliance with all borrowing covenants, including consolidated net worth, current assets to current liabilities ratio and debt service cover, imposed by the financial institutions for the financial years ended 31 December 2025 and 2024.

As disclosed in Note 21 to the financial statements, certain subsidiaries of the Group are required by the People's Republic of China and Civil and Commercial Code of Thailand to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant authorities. The Group is in compliance with all statutory reserve fund capital requirement for the financial years ended 31 December 2025 and 2024.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. Financial instruments, financial risks and capital management (Continued)

### 33.5 Fair value of financial assets and financial liabilities

The carrying amounts of the Group's and the Company's current financial assets and current financial liabilities approximate their respective fair values due to the relative short term maturity of these financial instruments. The fair values of non-current trade receivables and non-current trade payables are disclosed in the respective notes to the financial statements.

*Financial instruments by category*

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Financial assets</b>				
<i>Fair value through profit or loss</i>				
Financial asset, at FVPL	4,966	5,107	4,966	5,107
Derivative financial instruments	5	74	-	-
	<b>4,971</b>	<b>5,181</b>	<b>4,966</b>	<b>5,107</b>
<i>Amortised cost</i>				
Trade and other receivables <sup>(1)</sup>	195,372	201,748	36,371	37,405
Fixed deposits	57,878	40,224	17,896	11,229
Cash and bank balances	41,616	43,596	2,397	1,600
	<b>294,866</b>	<b>285,568</b>	<b>56,664</b>	<b>50,234</b>
<b>Financial liabilities</b>				
<i>Amortised cost</i>				
Trade and other payables <sup>(2)</sup>	169,463	181,859	6,635	7,821
Lease liabilities	1,441	2,189	-	100
	<b>170,904</b>	<b>184,048</b>	<b>6,635</b>	<b>7,921</b>

<sup>(1)</sup>Excludes value-added tax receivables and advances to suppliers

<sup>(2)</sup>Excludes value-added tax payables

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. Financial instruments, financial risks and capital management (Continued)

### 33.5 Fair value of financial assets and financial liabilities (Continued)

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and other financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

#### *Fair value hierarchy*

The Group and the Company classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The table below analyses financial instruments carried at fair value by the valuation method. The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. Financial instruments, financial risks and capital management (Continued)

### 33.5 Fair value of financial assets and financial liabilities (Continued)

*Fair value hierarchy (Continued)*

The table below analyses financial instruments carried at fair value, by valuation method. The different levels are defined as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group</b>				
<b>2025</b>				
<b>Financial assets</b>				
Financial asset, at FVPL	-	-	4,966	4,966
Derivative financial instruments	-	5	-	5
<b>2024</b>				
<b>Financial assets</b>				
Financial asset, at FVPL	-	-	5,107	5,107
Derivative financial instruments	-	74	-	74
<b>Company</b>				
<b>2025</b>				
<b>Financial assets</b>				
Financial asset, at FVPL	-	-	4,966	4,966
<b>2024</b>				
<b>Financial assets</b>				
Financial asset, at FVPL	-	-	5,107	5,107

There were no transfers between Levels 1 and 2 during the financial year.

The financial instruments included in Level 1 are traded in active markets and their fair values are based on quoted market prices at the end of the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. Financial instruments, financial risks and capital management (Continued)

### 33.5 Fair value of financial assets and financial liabilities (Continued)

#### *Fair value hierarchy (Continued)*

The fair value of the financial asset, at FVPL is based on the cash value provided by the insurer without adjustment. The fair value measurements categorised within Level 3 for financial asset, at FVPL includes unobservable inputs that are not developed by the Group and the Company.

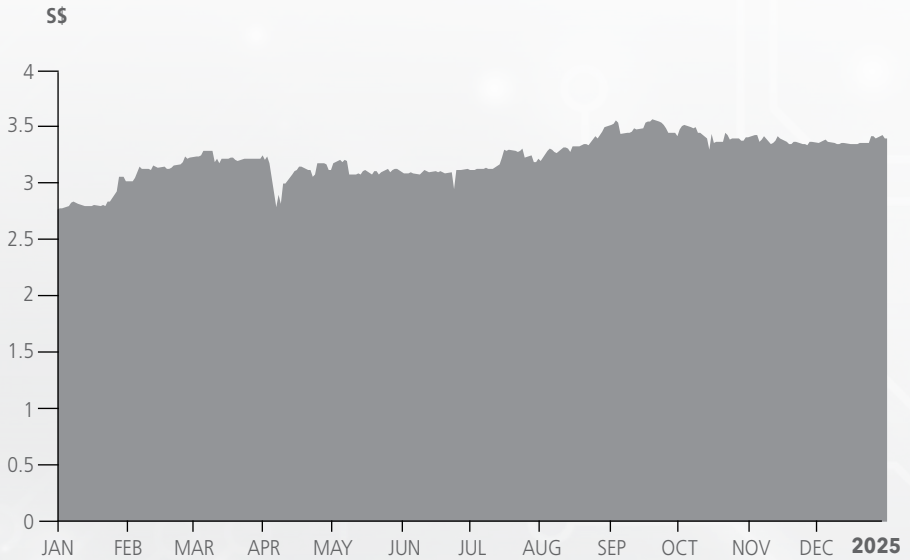
Fair value of the derivative financial instruments is determined based on discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the financial year) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties. There are no significant unobservable inputs and significant interrelationship between unobservable inputs.



# ADDITIONAL INFORMATION FOR SHAREHOLDERS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## Share Price Chart



	In 2025			As at 16 March 2026
	Highest	Lowest	Average	
Share Price (S\$)	3.57	2.77	3.23	3.44
Share Volume	125,900	200	13,400	3,200

# STATISTICS OF SHAREHOLDERS

AS AT 16 MARCH 2026

## ANALYSIS OF SHAREHOLDINGS AS AT 16 MARCH 2026

Total number of issued shares excluding treasury shares - and subsidiary holdings	-	90,095,268
Number of treasury shares held	-	NIL
Number of subsidiary holdings held	-	NIL
Class of Shares	-	Ordinary shares
Voting Rights	-	One Vote per share

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
1 – 99	215	4.96	12,171	0.02
100 - 1,000	2,958	68.27	1,372,557	1.52
1,001 – 10,000	959	22.13	3,200,379	3.55
10,001 – 1,000,000	196	4.52	10,632,258	11.80
1,000,001 and above	5	0.12	74,877,903	83.11
<b>TOTAL</b>	<b>4,333</b>	<b>100.00</b>	<b>90,095,268</b>	<b>100.00</b>

## LIST OF TWENTY LARGEST SHAREHOLDERS AS AT 16 MARCH 2026

(as shown in the Register of Members)

No.	Name of Shareholder	No. of Shares	% of Shareholdings
1	FOO SUAN SAI	36,233,325	40.22
2	HAN JUAT HOON	25,112,625	27.87
3	CITIBANK NOMINEES SINGAPORE PTE LTD	11,036,826	12.25
4	DBS NOMINEES PTE LTD	1,365,125	1.52
5	RAFFLES NOMINEES (PTE) LIMITED	1,130,002	1.25
6	UNITED OVERSEAS BANK NOMINEES PTE LTD	579,625	0.64
7	ABN AMRO CLEARING BANK N.V.	430,600	0.48
8	LARISSA THAM KIT FUN	372,500	0.41
9	YAP YOONG LOK	357,000	0.40
10	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	346,187	0.38
11	IAN HAROLD HOLLAND	310,000	0.34
12	HSBC (SINGAPORE) NOMINEES PTE LTD	284,400	0.32
13	PHILLIP SECURITIES PTE LTD	281,696	0.31
14	PUAR HAI KUAN OR CHONG SIEW LEE MICHELE	248,700	0.28
15	OCBC SECURITIES PRIVATE LTD	219,454	0.24
16	FOO FANG MIN	214,575	0.24
17	QUEK KOK KWANG (GUO GUO GUANG)	200,000	0.22
18	FOO CHIK HEE @ FOO CHIK ENG	189,500	0.21
19	OCBC NOMINEES SINGAPORE PTE LTD	184,350	0.20
20	LIAU KON SAN	170,100	0.19
<b>TOTAL</b>		<b>79,266,590</b>	<b>87.97</b>

# SUBSTANTIAL SHAREHOLDERS

AS AT 16 MARCH 2026

(as shown in the Register of Substantial Shareholders)

No.	Name of Shareholder	Direct Interest		Deemed Interest	
		No. of Shares	%	No. of Shares	%
1.	Foo Suan Sai <sup>(1)</sup>	36,233,325	40.217	25,345,125	28.131
2.	Han Juat Hoon <sup>(1)</sup>	25,345,125 <sup>(2)</sup>	28.131	36,233,325	40.217
3.	Yaowalak Phoowarachai	10,668,000 <sup>(3)</sup>	11.841	-	-

Notes :

- <sup>(1)</sup> Mr Foo Suan Sai and Mdm Han Juat Hoon are husband and wife and they are each deemed to be interested in the shares held by the other.
- <sup>(2)</sup> Mdm Han Juat Hoon has direct interest in the 232,500 ordinary shares registered in the name of United Overseas Bank Nominees Pte Ltd.
- <sup>(3)</sup> Mdm Yaowalak Phoowarachai has direct interest in the 10,668,000 ordinary shares registered in the name of Citibank Nominees Singapore Pte Ltd.

## COMPLIANCE WITH RULE 723 OF THE SGX-ST LISTING MANUAL

As at 16 March 2026, based on the registers of shareholders and to the best knowledge of the Company, the percentage of shareholding held in the hands of the public is 19.60%. The Company is therefore in compliance with Rule 723 of the SGX-ST Listing Manual.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Multi-Chem Limited (the "Company") will be held at 18 Boon Lay Way, #04-110 Tradehub 21, Singapore 609966 on 27 April 2026 at 11.30 a.m. for the purpose of transacting the following businesses:

## As Ordinary Business

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2025 together with the Directors' Statement and the Auditor's Report thereon. **(Resolution 1)**
2. To re-elect Mr Foo Fang Yong who is retiring by rotation pursuant to Regulation 106 of the Constitution of the Company. (See Explanatory Note 1) **(Resolution 2)**
3. To re-elect Mr Chan Wan Hong who is retiring by rotation pursuant to Regulation 106 of the Constitution of the Company. (See Explanatory Note 1) **(Resolution 3)**  
  
Mr Chan Wan Hong will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee, and a member of the Audit and Risk Management Committee and Remuneration Committee.
4. To approve a final tax exempt (one-tier) dividend of SGD0.20 per ordinary share for the financial year ended 31 December 2025. **(Resolution 4)**
5. To approve the payment of Directors' fees of SGD295,000.00 for the financial year ended 31 December 2025. **(Resolution 5)**
6. To re-appoint Messrs BDO LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**
7. To transact any other business which may be properly transacted at an Annual General Meeting.

# NOTICE OF ANNUAL GENERAL MEETING

## As Special Business

To consider and, if thought fit, to pass the following as Ordinary Resolution, with or without modifications:

8. Authority to issue shares

**(Resolution 7)**

"That, pursuant to Section 161 of the Companies Act 1967 and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:-

- (a) (i) issue shares in the capital of the Company ("shares") by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:
  - (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent. (20%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below).

# NOTICE OF ANNUAL GENERAL MEETING

- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) is 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:
- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards; and
  - (ii) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with (i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution.

- (3) 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

(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."  
(See *Explanatory Note 2*)

BY ORDER OF THE BOARD  
Chan Lai Yin  
Company Secretary  
Singapore, 10 April 2026

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes on Businesses to be Transacted

1. Detailed information of Mr Foo Fang Yong and Mr Chan Wan Hong can be found under Directors' Profile section of the Company's Annual Report and Additional information on Directors seeking re-election.
2. The Ordinary Resolution no. 7 proposed in item 8 above, if passed, will empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue shares and convertible securities in the Company. The aggregate number of shares (including any shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed fifty per cent. (50%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings of the Company. For issues of shares other than on a pro rata basis to all shareholders, the aggregate number of shares to be issued will not exceed twenty per cent. (20%) of Company's total number of issued shares excluding treasury shares and subsidiary holdings of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue shares pursuant to any Instrument made or granted under this authority.

## Notes:

1. The Annual General Meeting of the Company ("AGM") is being convened, and will be held, physically. This Notice will be sent to members by electronic means via publication on the Company's website at the URL [www.multichem.com.sg](http://www.multichem.com.sg). This Notice will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of this Notice and Proxy Form will be sent by post to members.
2. Members (including investors who holds shares under the Central Provident Fund and Supplementary Retirement Scheme ("CPF and SRS Investors")) may participate in the AGM by:
  - (a) Attending the AGM in person;
  - (b) Asking questions at the AGM or submitting questions in advance of the AGM; and/or
  - (c) Voting at the AGM (i) personally; or (ii) through duly appointed proxy(ies).
3. In view of the guidance note issued by the Singapore Exchange Regulation, a member may ask questions relating to the items on the agenda of the AGM by:
  - (a) Submitting question via mail to the registered office of the Company at 18 Boon Lay Way #05-113, Tradehub 21, Singapore 609966, or send electronic mail to [finance@multichem.com.sg](mailto:finance@multichem.com.sg) in advance of the AGM latest by 17 April 2026 at 11.30 a.m.; or
  - (b) "live Question and Answer" at the physical AGM.

When sending questions, members should also provide their full name (for individuals)/company name (for corporate), NRIC/Passport No./Company Registration number, email address, contact number, shareholding type and number of shares held for verification.

Shareholders are encouraged to submit their questions latest by 17 April 2026 at 11.30 a.m. The Company will endeavour to address all substantial and relevant questions submitted prior to the AGM by 22 April 2026 at 11.30 a.m. (at least 48 hours prior to the closing date and time for the lodgment of the proxy forms). The Company's response will be published on (i) the SGX-ST's website; and (ii) the Company's corporate website.

4. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.

# NOTICE OF ANNUAL GENERAL MEETING

5. The Chairman of the meeting, as proxy, need not be a member of the Company. A member may appoint the Chairman of the meeting as his/her/its proxy. If a member wishes to appoint the Chairman of the meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
6. A member who is a Relevant Intermediary\* entitled to attend the meeting and vote is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by each member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.
7. The instrument appointing a proxy must be deposited:
  - (a) at the registered office of the Company at 18 Boon Lay Way #05-113, Tradehub 21, Singapore 609966; or
  - (b) be sent via electronic mail to [finance@multichem.com.sg](mailto:finance@multichem.com.sg) enclosing signed PDF copy of the Proxy Form;not less than seventy-two (72) hours before the time set for the AGM.
8. CPF and SRS Investors who wishes to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 11.30 a.m. on 16 April 2026). CPF and SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to the appointment of proxy/proxies for the AGM.
9. In the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (i.e. by 11.30 a.m. on 24 April 2026), as certified by The Central Depository (Pte) Limited to the Company.
10. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

\*“A Relevant intermediary” means:

- a. a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- b. a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds shares in that capacity; or
- c. the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

# NOTICE OF ANNUAL GENERAL MEETING

## RECORD DATE

Subject to members' approval to the proposed final dividend at the forthcoming Annual General Meeting, the Share Transfer Books and Register of Members of the Company will be closed on 13 May 2026 for preparation of dividend warrants to a final tax exempt (one-tier) dividend of 20.00 cents per ordinary share for the financial year ended 31 December 2025 (the "**Proposed Final Dividend**").

Duly completed registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, 9 Raffles Place, #26-01 Republic Plaza, Singapore 048691 by 5.00 p.m. on 12 May 2026 ("**Record Date**") will be registered to determine members' entitlements to the Proposed Final Dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares of the Company as at 5.00 p.m. on the Record Date will be entitled to the Proposed Final Dividend.

The Proposed Final Dividend, if approved by the members at the forthcoming Annual General Meeting, will be paid on 22 May 2026.

## PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing the Chairman of the Annual General Meeting as proxy to vote at the Annual General Meeting and/or any adjournment thereof, and/or (b) by registering to attend the AGM via electronic means, and/ or (c) submitting any question prior to the AGM in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the "Chairman of the Annual General Meeting" as proxy for the AGM (including any adjournment thereof);
- (ii) processing the pre-registration forms for purposes of granting access to members (or their corporate representatives in the case of members who are legal entities) to view the live webcast of the AGM proceedings and providing viewers with any technical assistance, where necessary;
- (iii) addressing selected questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;
- (iv) the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following directors are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 27 April 2026 (“**AGM**”) (collectively, the “**Retiring Directors**” and each a “**Retiring Director**”):

1. Mr Foo Fang Yong; and
2. Mr Chan Wan Hong.

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

MR FOO FANG YONG	
Date of Appointment	28 May 2015
Date of last re-appointment	30 April 2024
Age	40
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Foo Fang Yong for re-election as Executive Director of the Company. The Board have reviewed and concluded that Mr Foo Fang Yong possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive  Mr Foo Fang Yong is responsible for the Group's business operations and strategic planning.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director
Professional qualifications	RSA SecurID Certified Systems Engineer and Blue Coat Certified ProxySG Professional, Sourcefire Certified Expert (SFCE) v5 and Riverbed Certified Solutions Professional WAN Optimization.
Working experience and occupation(s) during the past 10 years	June 2014 to Present: General Manager of Multi-Chem Limited

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

### MR FOO FANG YONG

Shareholding interest in the listed issuer and its subsidiaries

Direct interest: 162,400 ordinary shares

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

Mr Foo Fang Yong is the son of Mr Foo Suan Sai, Chief Executive Officer of the Company and Mdm Han Juat Hoon, Chief Operating Officer of the Company.

Conflict of Interest (including any competing business)

No

Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer

Yes

Other Principal Commitments\* Including Directorships#

Past (for the last 5 years)

None

Present

None

**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

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

## MR FOO FANG YONG

- |  |    |
|--|----|
| 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 |
| c) Whether there is any unsatisfied judgment against him?  | 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 |
| 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 |
| 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 |
| 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 |
| 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 |
| 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 |

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

### MR FOO FANG YONG

- j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:— No
- i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or
  - ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or
  - iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
  - iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?
- k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? No

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<b>MR CHAN WAN HONG</b>	
Date of Appointment	30 April 2024
Date of last re-appointment	-
Age	53
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed the qualifications, working experience, expertise and independence of Mr Chan Wan Hong, and was of the view that he will be able to contribute towards the core competences of the Board
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, Chairman of Nominating Committee and member of Audit and Risk Management Committee and Remuneration Committee
Professional qualifications	Bachelor of Laws from National University of Singapore  Advocate and Solicitor, Singapore  Member, Law Society of Singapore  Member, Singapore Academy of Law
Working experience and occupation(s) during the past 10 years	July 2011 to July 2019: Partner/Senior Partner, Dentons Rodyk LLP  August 2019 to July 2022: Director, Atlas Asia Law Corporation  August 2022 to present: Senior Director, FC Legal Asia LLC
Shareholding interest in the listed issuer and its subsidiaries	None

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

### MR CHAN WAN HONG

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

None

Conflict of Interest (including any competing business)

No

Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer

Yes

Other Principal Commitments\* Including Directorships#

Past (for the last 5 years)

Director, Atlas Asia Law Corporation  
Partner, Ernst & Young Solutions LLP

Present

Independent Non-executive Director,  
Centurion Corporation Limited  
Senior Director, FC Legal Asia LLC  
Independent Non-executive Director,  
Pan-United Corporation Ltd

**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

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

### MR CHAN WAN HONG

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|--|----|
| 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 |
| c) Whether there is any unsatisfied judgment against him?  | 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 |
| 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 |
| 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 |
| 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 |
| 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 |
| 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 |

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

### MR CHAN WAN HONG

- j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:— No
- i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or
  - ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or
  - iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
  - iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?
- k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? No

**MULTI-CHEM LIMITED**(Company Registration No.: 198500318Z)  
(Incorporated in Singapore)**PROXY FORM****IMPORTANT:**

1. SRS investors who wish to vote, should approach their SRS Operators to submit their votes by 11.30 a.m. on 16 April 2026.
2. For investors who have used their CPF monies and/or SRS monies to buy the Company's shares, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 April 2026.

\*I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No.)

of \_\_\_\_\_ (Address)

being \*a member/members of Multi-Chem Limited (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)

\*and/or

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)

Or failing him/her, the Chairman of the Annual General Meeting ("AGM") as \*my/our \*proxy/proxies to attend and vote for \*me/us on \*my/our behalf at the AGM to be held at 18 Boon Lay Way, #04-110 Tradehub 21, Singapore 609966 on Monday, 27 April 2026 at 11.30 a.m. and at any adjournment thereof.

\*I/We direct \*my/our \*proxy/proxies to vote for or against or abstain from voting on the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, this Proxy Form shall be disregarded and the proxy shall abstain from voting on any 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**
1.	To receive and adopt the Audited Financial Statements together with the Directors' Statement and Auditor's Report for the financial year ended 31 December 2025.			
2.	To re-elect Mr Foo Fang Yong as a Director.			
3.	To re-elect Mr Chan Wan Hong as a Director.			
4.	To approve a final tax exempt (one-tier) dividend.			
5.	To approve the payment of Directors' fees.			
6.	To re-appoint Messrs BDO LLP as Auditor and to authorise the Directors to fix their remuneration.			
7.	To authorise Directors to issue shares.			

**Notes:**

\* Delete accordingly

\*\* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please indicate "X" or "√" in the relevant box provided. Alternatively, please indicate the number of votes "For" or "Against" each resolution. If you indicate "X" or "√" in the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2026

**Total Number of Shares Held**\_\_\_\_\_  
Signature(s) of Member(s)/Common Seal**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 (maintained by The Central Depository (Pte) Limited), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. 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. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. The instrument appointing proxy must be signed and deposited at the registered office of the Company at 18 Boon Lay Way #05-113, Tradehub 21, Singapore 609966 or send electronic mail to [finance@multichem.com.sg](mailto:finance@multichem.com.sg) not later than seventy-two (72) hours before the time set for the Meeting.
3. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
4. The Chairman of the meeting, as proxy, need not be a member of the Company. A member may appoint the Chairman of the meeting as his/her/its proxy. If a member wishes to appoint the Chairman of the meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
5. A member who is a Relevant Intermediary\* entitled to attend the meeting and vote is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by each member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.
6. Investors who holds shares under the Central Provident Fund and Supplementary Retirement Scheme ("CPF and SRS Investors") who wishes to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 11.30 a.m. on 16 April 2026). CPF and SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to the appointment of proxy/proxies for the AGM.
7. In the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (i.e. by 11.30 a.m. on 24 April 2026), as certified by The Central Depository (Pte) Limited to the Company.
8. The instrument appointing a proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
9. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy and deposited at the registered office of the Company at 18 Boon Lay Way #05-113, Tradehub 21, Singapore 609966 or send electronic mail to [finance@multichem.com.sg](mailto:finance@multichem.com.sg) not later than seventy-two (72) hours before the time set for the Meeting, failing which the instrument may be treated as invalid.
10. A corporation which is a member of the Company may, in accordance with Section 179 of the Companies Act 1967 of Singapore, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting.
11. The Company shall be entitled to reject an instrument appointing a proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy.

\*"A Relevant Intermediary" means:

- a. a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- b. a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds shares in that capacity; or
- c. the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

FOLD ALONG THIS LINE

AFFIX  
STAMP

**The Company Secretary**  
**MULTI-CHEM LIMITED**  
18 Boon Lay Way #05-113  
Tradehub 21  
Singapore 609966

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**Multi-Chem**  
*The Hole Solution Provider*

**M.TECH**  
Your Preferred I-Security Partner

**Multi-Chem Limited**

Company's Registration No. 198500318Z

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