



**GOODWILL**  
ENTERTAINMENT

ANNUAL  
REPORT  
FINANCIAL YEAR ENDED  
**2025**

Singapore





## TABLE OF CONTENTS

02	Corporate Profile
04	Financial Highlights
06	Our Business
09	Corporate Information
10	Key Corporate Milestones
11	Message from Executive Chairman and CEO
12	Board of Directors
15	Key Executives
16	Group Structure
17	Financial Review

## FINANCIAL CONTENTS

20	Sustainability Review
22	Corporate Governance Report
62	Financial Statements
128	Statistics of the Shareholdings
130	Notice of the Annual General Meeting Proxy Form

*This annual report has been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited. It has not been examined or approved by Exchange and the Exchange assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.*

*The contact person for the Sponsor is Mr. Jerry Chua (Tel: (65) 6241 6626), at 160 Robinson Road, #20-01/02, SBF Center, Singapore*

## CORPORATE PROFILE

Headquartered in Singapore, **Goodwill Entertainment Holding Limited** (“Goodwill Entertainment” or the “Company” and together with its subsidiaries, the “Group”) is a leading multi-entertainment provider with strong presence across Singapore and Malaysia. The Group delivers diverse entertainment experiences through an extensive network of venues spanning karaoke, live performances, nightlife concepts, and food & beverage establishments.

Our Karaoke Lounges and Multi-Entertainment Venues comprise 11 “**HaveFun Family Karaoke**” outlets across Singapore. Each outlet offers customers a variety of amenities beyond traditional karaoke with selected outlets feature performance halls. Our flagship outlet at Cineleisure Orchard presents an integrated entertainment experience, featuring the Group’s first dance club, “**FATEbyhavefun**”.

Our Live Show concept, “**HaveFun Live Show**”, a multi-entertainment concept, a first-of-its-kind mega live entertainment house in Singapore delivers up-close live performances and interactions with various performing artistes, and state-of-the-art audio-visual equipment to create a full sensory, cinematic and immersive concert-like experience for patrons.

Our F&B Japanese restaurant under brand name **Yakitori ONE** 鳥萬, known for its ancient Japanese Binchotan techniques with innovative culinary artistry to bring out the intrinsic flavors of premium ingredients. In February 2026, the Group opened 2 new outlets with concept of themed cafe and bar – **Bloom & Boom** and a gaming restobar – **Sticks & Stones**.

Our outlets are supported by a Central Kitchen (**Cookease**) that ensures consistency and efficiency across its outlets and other third party retail chain store. Goodwill Entertainment continues to strengthen its integrated entertainment ecosystem.

The Group has been listed on the Catalist of SGX-ST since 15 November 2024 (Stock Code: GEH).



## OUR VISION &amp; MISSION

OUR  
VISION

At Goodwill Entertainment, we envision pioneering integrated entertainment and redefining the landscape of Southeast Asian entertainment. We aim to be the pivotal link connecting exceptional entertainment experiences with innovative concepts in the multi-entertainment sector. We strive to foster a comprehensive entertainment ecosystem that delivers unparalleled experiences, captivating audiences and solidifying our position as the premier destination for entertainment in Southeast Asia

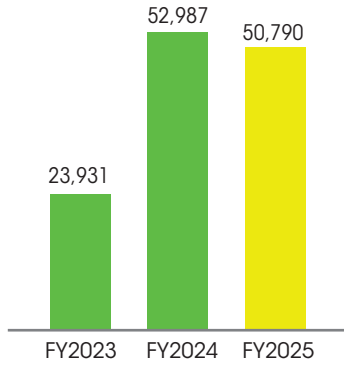
OUR  
MISSION

The Group's mission revolves around three core pillars:

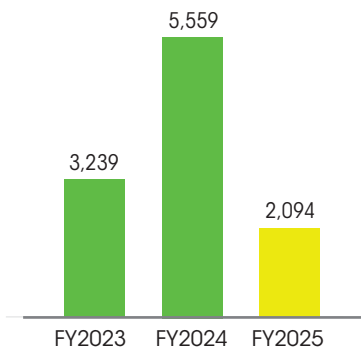
- Our unwavering customer focus drives us to provide exceptional entertainment experiences tailored to exceed expectations. We are dedicated to delivering innovative concepts and unforgettable moments that leave lasting impressions.
- We also believe in fostering a supportive and empowering environment for our employees, providing growth opportunities that enhance their skills and talents in a space where they can thrive both personally and professionally.
- Last but not least, our approach embodies a strong commitment to delivering continuous value to our shareholders through strategic decision-making, efficient operations, and sustainable growth within the entertainment sector.

# FINANCIAL HIGHLIGHTS

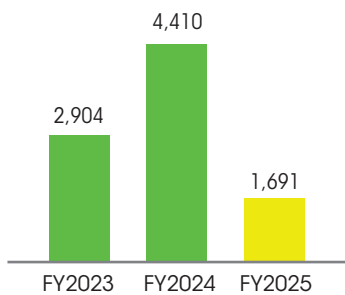
## REVENUE (S\$'000)



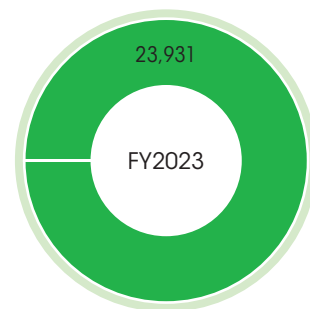
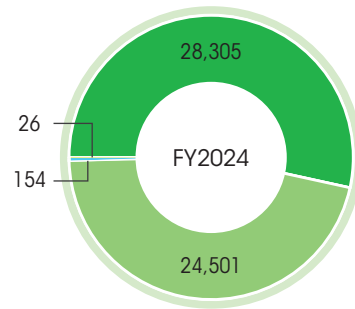
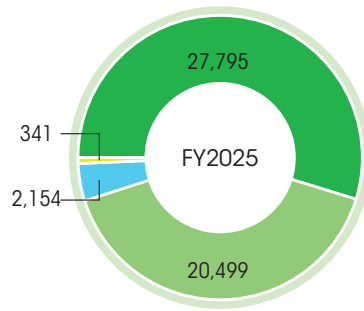
## PROFIT AFTER TAX (S\$'000)



## PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS (S\$'000)



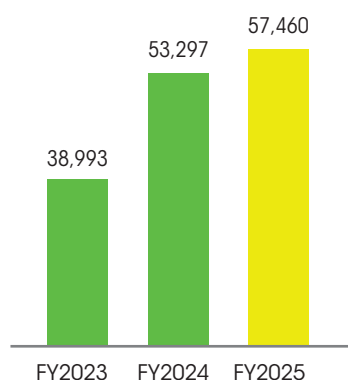
## REVENUE BY SEGMENT (S\$'000)



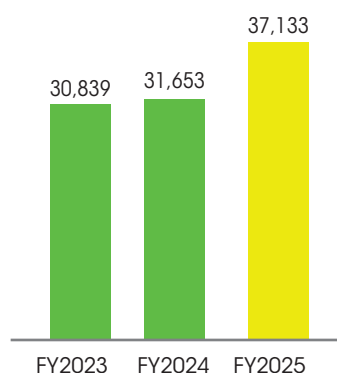
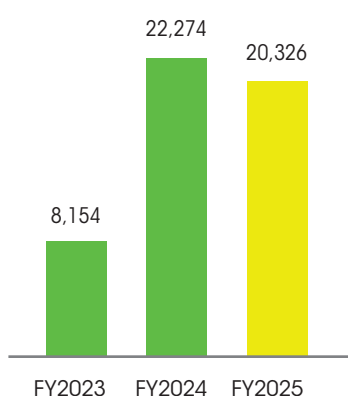
- Karaoke
- Live Show
- F&B Restaurant
- Food Manufacturing

## FINANCIAL HIGHLIGHTS

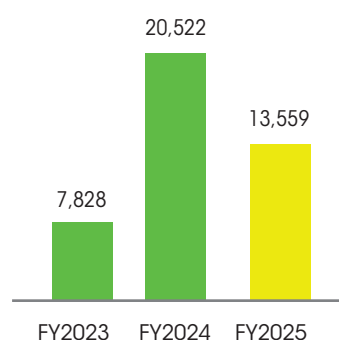
## TOTAL ASSETS (\$S'000)



## TOTAL LIABILITIES (\$S'000)

NET ASSETS AND EQUITY<sup>1</sup> (\$S'000)

## NET CASH GENERATED FROM OPERATIONS (\$S'000)



Financial Years	FY2023	FY2024	FY2025
<b>Financial Results</b>			
Revenue (\$S'000)	23,931	52,987	50,790
Profit Attributable to The Shareholders (\$S'000)	2,904	4,410	1,691
Basic Earnings Per Share (Cents) <sup>(2)</sup>	1.22	1.32	0.42
<b>Financial Position</b>			
Total Equity Attributable to The Shareholders <sup>(3)</sup>	7,711	20,103	17,997
Net Assets Value Per Share (Cents) <sup>(3)</sup>	2.16	5.03	4.55

<sup>(1)</sup> Net Asset and Total Equity are including non-controlling interests.

<sup>(2)</sup> Earnings per Share is calculated based on Profit Attributable to the Shareholders divided by weighted average number of ordinary shares (excluding the effect of treasury shares acquired) of 398,628,728.

<sup>(3)</sup> Net Asset value Per Shares is calculated based on Total Equity Attributable to the Shareholders (excluding non-controlling interests) divided by total number of ordinary shares (excluding treasury shares acquired) of 395,162,600 (2024: 400,000,000; 2023: 356,750,000)

# OUR BUSINESS



## OUR BUSINESS

### LIVE SHOW

**HaveFun Live Show** is Singapore's largest live performance venue featuring a signature T-stage design, the space spans over 10,000 square feet and delivers a truly dynamic show environment. It is equipped with state-of-the-art audiovisual systems, enhanced by exceptional lighting, sound, large-scale mechanical stage lifts, and daily DJ sets that creating a diverse and fully immersive sensory experience.

With more than 20 performers taking the stage each night, the show brings together outstanding talents from around the world. The venue accommodates over 500 guests, offering close-up artist interaction and an electrifying, high-energy atmosphere.

### Karaoke

Singapore's largest and leading family-friendly entertainment destination, setting the benchmark for the KTV industry. With 12 outlets islandwide under **HaveFun Family Karaoke**, the brand, incorporating the Group's multi-entertainment strategy, continues to expand against the trend, featuring over 200 Karaoke lounges and more than 450 screens and multi-entertainment venue **FATEbyhavefun**.

Built around the concept of a "third space," it offers a seamlessly connected smart and immersive entertainment experience—where guests can relax, indulge, and express themselves freely.

### F&B Restaurant

Our F&B Restaurant is built on a passion for creating immersive, experience-led dining concepts that go beyond food. Across three distinct brands—**Bloom & Boom**, **Sticks & Stones**, and **Yakitori ONE**—we curate culinary destinations that merge innovative cuisine, thoughtful design, and storytelling-driven hospitality.

Each concept is crafted with a unique identity and purpose, yet unified by our core philosophy: to elevate dining into an unforgettable journey, combining quality, creativity, and emotional resonance. We strive to build not just restaurants, but destinations that become part of our guests' lifestyles and memories.

### CENTRAL KITCHEN

**COOKEASE Pte. Ltd.** is our Group's central kitchen, supplying high-quality, consistent food to all our F&B concepts—including our F&B restaurants, HaveFun Family Karaoke outlets, and HaveFun Live Show. By combining premium ingredients, traditional recipes, and modern culinary techniques, COOKEASE produces skewers, cooked dishes, and ready-to-eat items that meet strict standards of taste, hygiene, and safety.

With a standardized quality control system, COOKEASE ensures dependable flavour and consistency across every batch, supporting smooth operations throughout our entertainment and dining network. Designed for both internal brands and external F&B partners, COOKEASE delivers efficient production, reliable quality, and convenient culinary solutions for every table.

## OUR BUSINESS

**HAVEFUN KARAOKE**  
Bugis Cube · 313@somerset · Bugis+ · Suntec City Mall · Lucky Chinatown · Cineleisure · SAFRA Yishun · SAFRA Toa Payoh · Downtown East · Pasir Ris Mall · Seletar Mall<sup>(1)</sup>



**11** FAMILY KARAOKE

**HAVEFUN LIVE SHOW**  
Bugis+  
The Arch Galleries, Kuala Lumpur, Malaysia<sup>(2)</sup>



**2** HAVEFUN LIVESHOW

**FATE BY HAVEFUN**  
Cineleisure



**1** DANCE CLUB

**YAKITORI ONE**  
Suntec City Mall



**3** F&B AND ENTERTAINMENT CONCEPT

**STICKS & STONES<sup>(3)</sup>**  
Bugis+

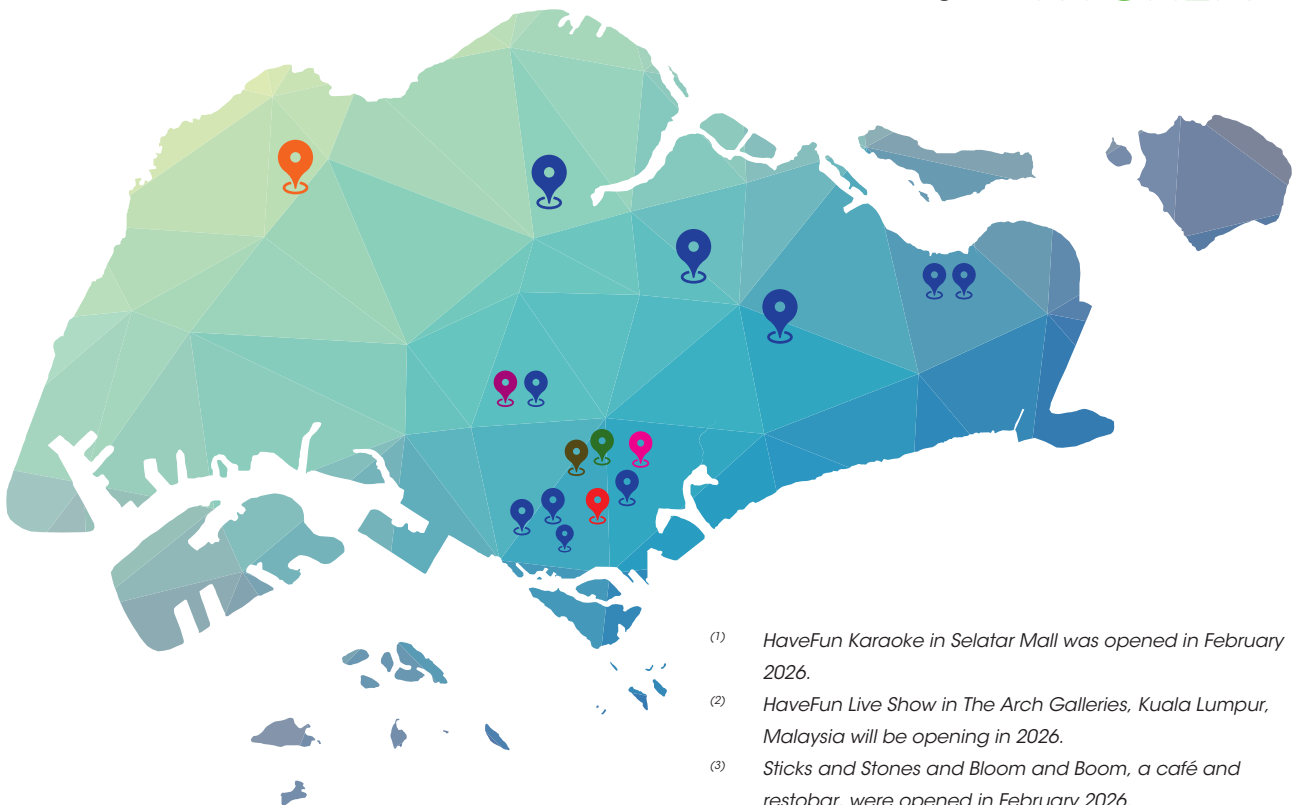


**BLOOM & BOOM<sup>(3)</sup>**  
Bugis+



**7** CENTRAL KITCHEN

**COOKEASE**  
Woodlands Loop



<sup>(1)</sup> HaveFun Karaoke in Seletar Mall was opened in February 2026.  
<sup>(2)</sup> HaveFun Live Show in The Arch Galleries, Kuala Lumpur, Malaysia will be opening in 2026.  
<sup>(3)</sup> Sticks and Stones and Bloom and Boom, a café and restobar, were opened in February 2026.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Lu Mang ("Flint Lu")** (Executive Chairman and CEO)

**Thang Teck Jong ("TJ Thang")** (Vice Chairman and Non-Executive Director)

**Huang Junli, Christopher ("Christopher Huang")** (Lead Independent Non-Executive Director)

**Ng Tse Meng** (Independent Non-Executive Director)

**Foong Daw Ching** (Independent Non-Executive Director)

### AUDIT AND RISK COMMITTEE

**Foong Daw Ching** (Chairman)

**Ng Tse Meng**

**Christopher Huang**

### NOMINATING COMMITTEE

**Ng Tse Meng** (Chairman)

**Foong Daw Ching**

**Christopher Huang**

### REMUNERATION COMMITTEE

**Christopher Huang** (Chairman)

**Foong Daw Ching**

**Ng Tse Meng**

### COMPANY SECRETARY

**Katherine Tan Jing Yu**

(Bachelor of Laws, LLB)

### CONTINUING SPONSOR

**Evolve Capital Advisory Private Limited**

**Jerry Chua**

160 Robinson Road

#20-01/02, SBF Center

Singapore 068914

### INDEPENDENT AUDITOR

**Foo Kon Tan LLP**

1 Raffles Place

#04-61/62, One Raffles Place, Tower 2

Singapore 048616

Partner-in-charge: **Cheong Wenjie**

(Appointed on 25 October 2024)

### PRINCIPAL BANKERS

**DBS Bank Ltd**

12 Marina Boulevard, Level 43

DBS Asia Central @

Marina Bay Financial Centre Tower 3

Singapore 018982

**United Overseas Bank Limited**

80 Raffles Place

UOB Plaza

Singapore 048624

### COMPANY WEBSITE

<https://goodwillsg.com/>

### STOCK CODE

Singapore: GEH

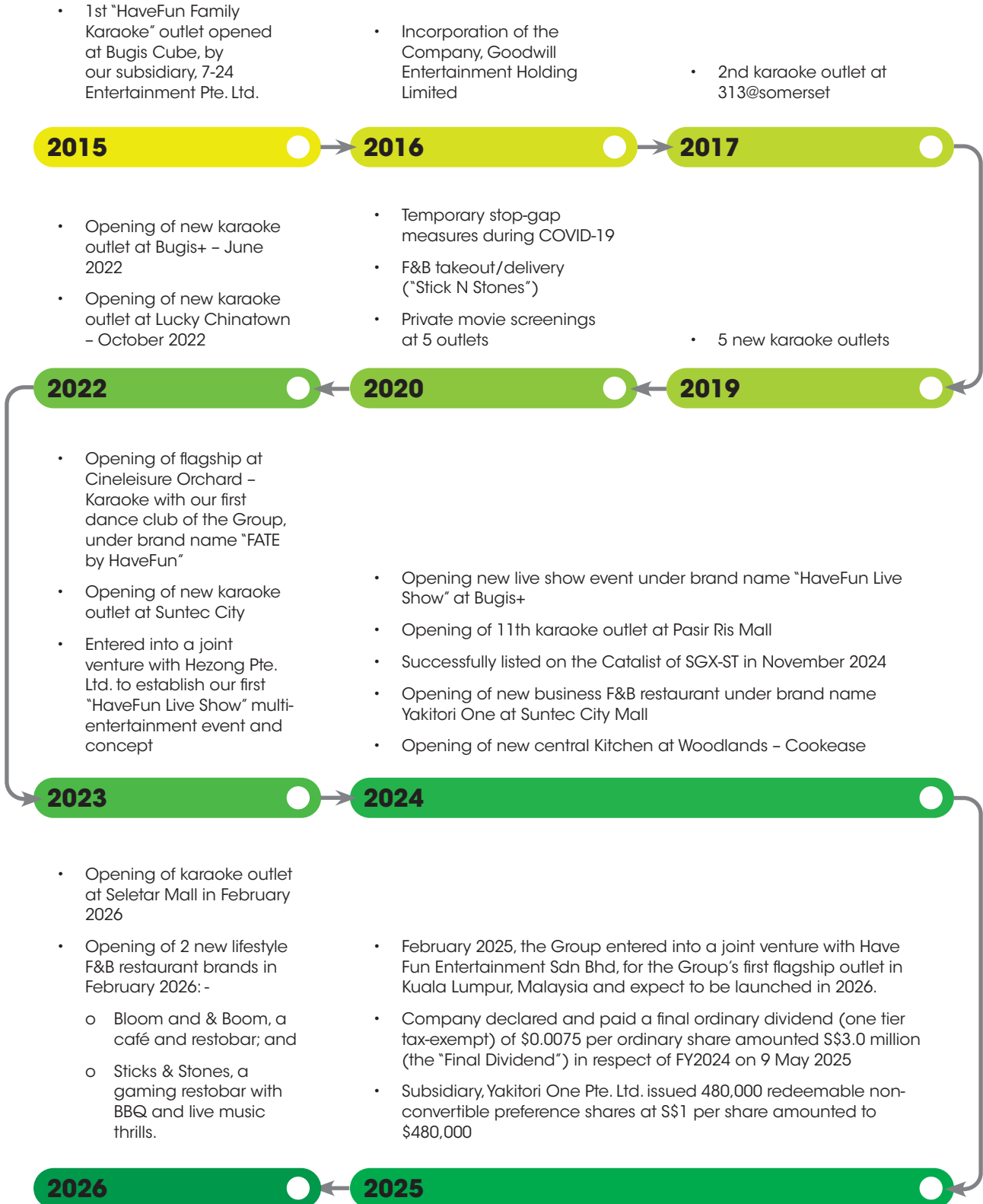
### INVESTOR RELATIONS/MEDIA CONTACT

**Gem Comm Pte. Ltd.**

**Emily Choo**

Email: [emily@gem-comm.com](mailto:emily@gem-comm.com)

## KEY CORPORATE MILESTONES



## MESSAGE FROM EXECUTIVE CHAIRMAN AND CEO

### DEAR SHAREHOLDERS,

It gives me great pleasure to present Goodwill Entertainment Holding Limited's annual report for the financial year ended 31 December 2025. FY2025 was a year of disciplined execution and strategic diversification, as we navigated a shifting macroeconomic landscape to build a resilient, multi-format ecosystem well-positioned for sustainable long-term growth.

In FY2025, the Group adopted a prudent and deliberate approach to expansion in response to prevailing market conditions characterised by elevated rental costs, rising labour expenses, and softening consumer sentiment. These conditions were not conducive to aggressive outlet rollouts. Instead, we focused in strengthening the Group's internal capabilities including restructuring the Group's backend operations and establishing a subsidiary in Kuala Lumpur to improve the future operation cost efficiency and scalability.

Across both the Karaoke and Live Show segments, total customer visits continued to grow year-on-year, reflecting sustained brand relevance and customer engagement. However, more cautious spending patterns among consumers resulted in lower average spend per customer. Consequently, segment revenues recorded a slight year-on-year decline, broadly in line with industry-wide normalisation trends.

In the second half of the year, the Group moved into an active preparation phase, investing resources into the research, planning, and development of four new outlet concepts spanning multiple market segments. These include the flagship HaveFun Live Show in Kuala Lumpur, the HaveFun Karaoke outlet at Seletar Mall, and two new lifestyle F&B brands i.e. Sticks & Stones, a floral-themed café and bar, and Bloom & Boom, a gaming restobar. Together, these projects reflect our forward-looking strategy to broaden our market presence and strengthen our multi-concept portfolio.

In the Food Manufacturing segment, the Group remains in the process of expanding distribution channels and operational scale. While this segment continued to exert short-term pressure on profitability due to its early-stage investment nature, management's objective is to accelerate its transition from a margin-dilutive unit into a meaningful

performance driver that supports both internal supply chain efficiencies and external revenue growth over the medium term.

As we progress into 2026, we recognise that Singapore's entertainment landscape is undergoing structural change, with younger audiences increasingly gravitating toward immersive, hybrid, and experience-driven formats.

Our strategic direction remains anchored in **Experience Innovation** and measured **regional expansion**. A key near-term growth catalyst will be the completion and launch of our new flagship outlet in Kuala Lumpur in 2026 – a two-storey integrated development featuring a ground-floor live performance stage complemented by premium KTV facilities. Concurrently, we are implementing lease restructuring and workforce realignments to increase productivity, streamline operations, and strengthen organisational agility.

Looking ahead, we will pursue growth opportunities both within Singapore and in regional markets through a multi-brand strategy that targets diverse consumer segments. Supported by enhanced customer engagement initiatives, loyalty programme enhancements, and continued innovation across our entertainment concepts, Goodwill Entertainment is well-positioned to capture emerging opportunities in a rapidly evolving market environment.

I would like to extend my sincere appreciation to our dedicated employees, valued business partners, and loyal shareholders. Your steadfast support has been vital to our progress. Amid an evolving entertainment landscape, FY2025 demonstrated the resilience of our diversified business model and the strength of our strategic direction. We remain firmly committed to delivering sustainable growth and long-term value for all stakeholders.

Thank you.

**FLINT LU**

Executive Chairman and CEO

BOARD OF **DIRECTORS****LU MANG**  
**EXECUTIVE CHAIRMAN & CEO**

**Mr. Lu Mang (“Flint Lu”)** is our Executive Chairman and CEO, Mr. Lu is primarily responsible for the overall strategic direction and development of the Group. He is the Founder and first director of the Group.

Mr. Lu has over ten years of entrepreneurial experience in the public entertainment industry, specialising in strategic planning, business development, marketing strategy and business strategy. As an entrepreneur, Mr. Lu had previously been involved in the logistics sector through Twinstar Logistics Pte. Ltd. which he founded in October 2006 and was an executive director until November 2023.

Mr. Lu holds a Master of Business Administration from the Frederick Institute of Technology in Cyprus. He holds a diploma in marketing from Dalian Maritime University in the People’s Republic in China.

BOARD OF **DIRECTORS**

**MR. THANG TECK JONG**  
VICE CHAIRMAN AND NON-EXECUTIVE DIRECTOR

**Mr. Thang Teck Jong (“TJ Thang”)** is Vice Chairman and Non-executive Director of the Company. Mr. Thang started his career in 1986 as an entrepreneur involved in the luggage distribution business in Singapore. He is the founder and executive chairman of Travelite Holdings Ltd., a Singapore-incorporated and SGX Mainboard-listed company which represents over 20 international brands to market their products across various parts of SEA. He has been instrumental in the growth and development of the business of Travelite Holdings Ltd since its inception. Mr. Thang is also our indirect controlling shareholder through his shareholding in Mengkim Holdings Pte. Ltd..

Mr. Thang was named as one of the Entrepreneur of the Year 2005 by Association of Small and Medium Enterprises and the Rotary Club of Singapore. He received a Certificate of Appreciation from the People’s Association of Singapore for five (5) years of dedicated voluntary service to the community.

Mr. Thang holds a Master of Business Administration (Business Administration) from University of Hull.



**MR. CHRISTOPHER HUANG**  
LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

**Mr. Christopher Huang** is Lead Independent Non-Executive Director of our Company and Mr. Huang is the Chairman of our Remuneration Committee and a member of our Audit and Nominating Committees.

Mr. Huang is the Managing Director of a Singapore law firm, CHP Law LLC and advises on various areas of law, with a focus on the legal and tax aspects of cross-border commercial transactions, including transfer pricing.

Mr. Huang commenced his career as an associate at PricewaterhouseCoopers LLP in 2012 and joined Colin Ng & Partners LLP (now known as CHP Law LLC) in March 2015. In 2018, Mr. Huang was made a partner of Colin Ng & Partners. Mr. Huang is currently an independent director of Aztech Global Ltd., listed on the Main Board of the SGX-ST.

Mr. Huang graduated with a Bachelor of Laws (Honours) and a Bachelor of Commerce from the University of Queensland, Australia.

## BOARD OF DIRECTORS

**FOONG DAW CHING**  
INDEPENDENT NON-EXECUTIVE DIRECTOR

**Mr. Foong Daw Ching** is an Independent Non-Executive Director of our Company and the Chairman of our Audit and Risk Committee and a member of our Nominating and Remuneration Committees.

Mr. Foong has more than 35 years of audit experience, and was the Managing Partner of Baker Tilly TFW LLP and the Regional Chairman of Baker Tilly International Asia Pacific Region. He retired as Managing Partner of Baker Tilly TFW LLP and stepped down as the Regional Chairman of Baker Tilly International Asia Pacific Region in 2010 and 2016 respectively.

He is an independent director and chairman of audit committee of ABR Holdings Ltd. and Noel Gifts International Ltd. and non-executive director of Suntar Eco-City Ltd.. These companies are listed on the SGX-ST.

Mr. Foong was awarded the Merit Service Award by the Institute of Certified Public Accountants of Singapore in 2000, a Public Service Medal (Pingat Bakti Masyarakat) by the Prime Minister's Office of Singapore in 2003 and a COVID-19 Resilience Medal by the Prime Minister's Office of Singapore in 2021.

He is a Fellow of the Institute of Singapore Chartered Accountants in Singapore, the Institute of Chartered Accountants in England and Wales, and the CPA Australia, and a Chartered Accountant of the Malaysian Institute of Accountants. Mr Foong is a Senior Accredited Director awarded by Singapore Institute of Directors.

**NG TSE MENG**  
INDEPENDENT NON-EXECUTIVE DIRECTOR

**Mr. Ng Tse Meng** is an Independent Non-Executive Director of our Company and the Chairman of our Nominating Committee and a member of our Audit and Remuneration Committees.

Mr. Ng is the chief executive officer and chairman of RF Acquisition Corp II and RF Acquisition Corp III, Nasdaq listed special purpose acquisition company, since February 2024 and September 2025, respectively. He was also the Co-Founder and chairman of Ruifeng Wealth Management Pte. Ltd., an independent external asset manager servicing accredited investors and institutional investors.

From August 2014 to January 2019, he was the Managing Director of CA Indosuez (Switzerland) SA (Singapore Branch), a wholly owned subsidiary of Credit Agricole Corporate and Investment Bank. He also served as a Managing Director of Pictet and Cie (Asia) Ltd from January 2013 to January 2014 and was the Managing Director of BSI Bank Limited from January 2011 to January 2012. Prior to that, he was a Director of Credit Suisse Singapore Limited from March 2008 to January 2011.

Mr. Ng's work has also previously earned him the prestigious Outstanding Young Private Banker award, an honour accorded to him by the prominent industry journal, Private Banker International. Mr Ng was also recognised as a Thought Leader in Robb Report Singapore 2021 for his expertise in private banking and wealth management, highlighting his leadership in serving ultra-high-net-worth clients and mentoring the next generation of bankers.

Mr. Ng holds a Bachelor of Business from Nanyang Technological University. He is also a member of the Singapore Institute of Directors.

## KEY EXECUTIVES

### KOK POOI WAI CHIEF FINANCIAL OFFICER

**Kok Pooi Wai (“Mr. Kok”)** joined our Group as Chief Financial Officer (“CFO”) in September 2025. He is responsible for overseeing the Group’s accounting, finance, and related corporate functions. Mr. Kok brings over 20 years of extensive experience spanning audit, financial reporting, corporate finance, and various industry sectors.

Mr. Kok began his professional career in Malaysia with Moore Stephens and KPMG, starting as an Audit Associate and progressing to Audit Manager before transitioning into commercial roles. In 2014, he served as the Group Senior Finance Manager of a public-listed property development company on Bursa Malaysia. From 2018 to 2025, Mr. Kok was financial controller of Vividthree Holdings Ltd., a SGX Catalist-listed digital entertainment company, where he oversaw IPO, finance, corporate finance, and secretarial matters.

Mr. Kok is a member of the Association of Chartered Certified Accountants (ACCA) and a Chartered Accountant with the Malaysian Institute of Accountants (MIA).

### VICTORIA SUN CHIEF OPERATING OFFICER

**Ms. Victoria Sun** was appointed as the Chief Operating Officer (“COO”) of the Group in January 2024. She is responsible for overseeing the Group’s overall operational management, strengthening internal operational controls and driving strategic initiatives to enhance business performance and operational efficiency.

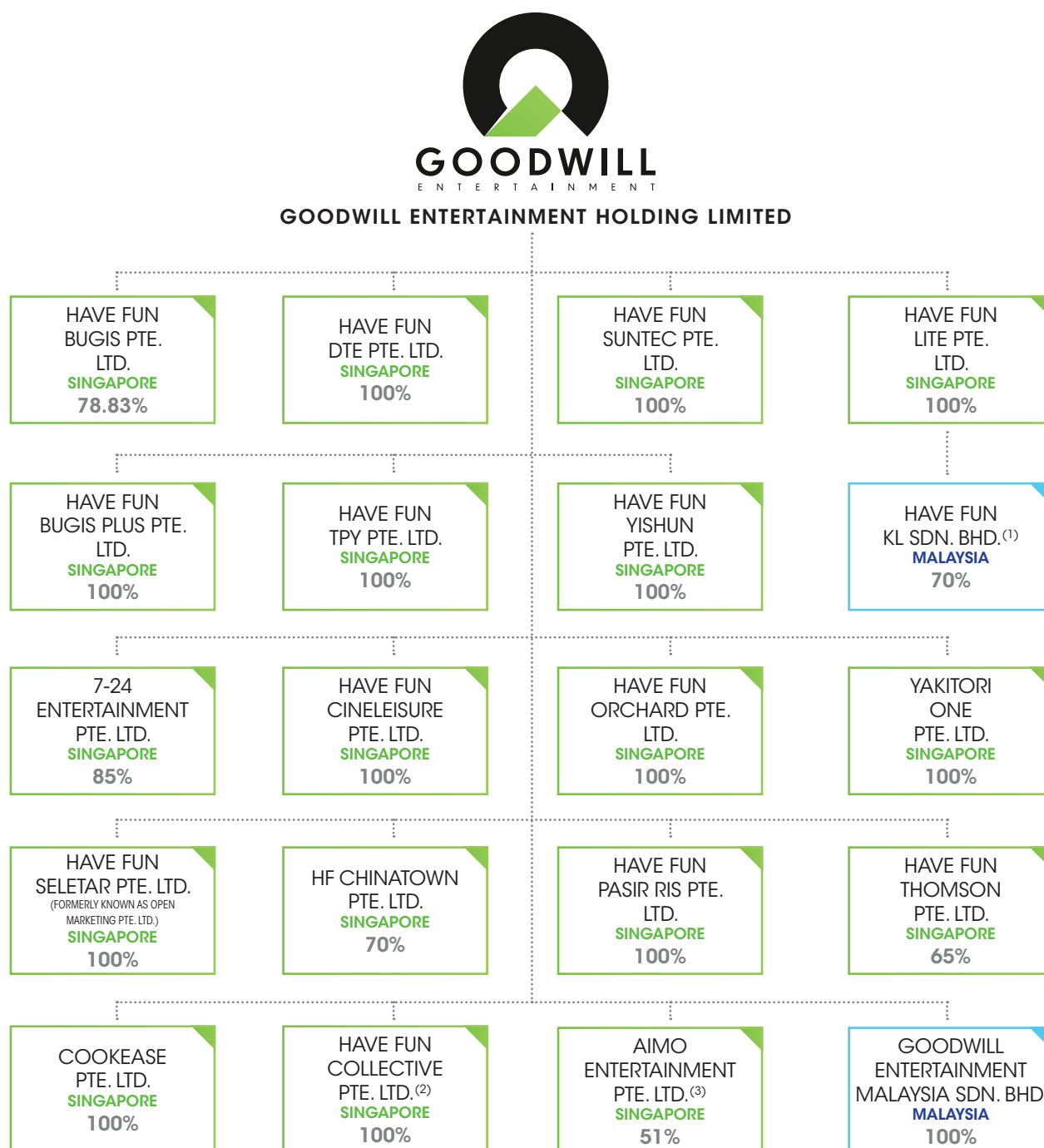
Victoria has over a decade of experience in operations management and business development. She began her career in 2012 as a co-founder and managing partner of a Singapore-based corporate services company, where she specialised in management consultancy, business planning and multi-media marketing. During her tenure, she played a key role in business expansion and strategic development until her departure in September 2019.

Victoria joined Funtech Solutions Pte. Ltd. as General Manager in February 2020 before joining the Group in May 2020 as General Manager. In recognition of her leadership and contributions to the Group’s operational growth and development, she was promoted to Chief Operating Officer in January 2024.

Victoria holds a Diploma in Marketing and Retail Management and a Postgraduate Diploma in Business Management. She has completed the Enterprise Leadership for Transformation Programme conducted by the Nanyang Technological University Entrepreneurship Academy. She is currently pursuing a Master of Business Administration (MBA).

## GROUP STRUCTURE

(as at 18 March 2026)



## Notes

- On 18 February 2025 and 20 June 2025, the Company through its wholly-owned subsidiary, Have Fun Lite Pte. Ltd. ("HF Lite"), subscribed a total ordinary shares of 700,000 at cash consideration of S\$214,329 (equivalent to RM700,000) in Have Fun KL Sdn. Bhd.. At the same time, Have Fun KL Sdn. Bhd. ("HFKL") allotted 30,000 ordinary shares to HF Entertainment Sdn. Bhd. at cash consideration of S\$91,855 (equivalent to RM300,000). After the share allotment, Have Fun Lite Pte. Ltd. holds 70% of equity interest in Have Fun Sdn. Bhd. which is a subsidiary of the Group.
- Have Fun Collective Pte. Ltd. was incorporated on 1 August 2025.
- Aimo Entertainment Pte. Ltd. was incorporated on 12 August 2025.
- Have Fun Serangoon Pte. Ltd. has been liquidated on 12 January 2026, therefore not shown in the group structure above.

## FINANCIAL REVIEW

## REVIEW OF STATEMENT OF PROFIT OR LOSS

**\$50.79m**  
REVENUE

**\$3.29m**  
PROFIT BEFORE TAX

**0.42 cents**  
BASIC EARNING PER SHARE

**Revenue**

The Group recorded a decrease in revenue of approximately S\$2.20 million or 4.2%, from S\$52.99 million in FY2024 to S\$50.79 million in FY2025. The reduction was primarily attributable to lower in average spending per customer across the Group's key operating segments, notwithstanding improvements in footfall and karaoke room utilisation during the financial year.

Revenue from the Live Show segment was lower by approximately S\$4.00 million or 16.33%, from S\$24.50 million in FY2024 to S\$20.50 million. While Karaoke segment revenue also decreased by approximately S\$0.51 million or 1.8%, from S\$28.31 million in FY2024 to S\$27.80 million in FY2025. Both segments experienced increased customer traffic, but the rise in visits did not convert into spending growth, resulting in lower average revenue per customer.

In contrast, the Group's new segments, food and beverages ("F&B") and manufacturing which were launched in late of FY2024, contributed positively. In their first full year operation in FY2025, (i) the F&B restaurant operations generated higher revenue by approximately S\$2.0 million, from S\$0.15 million in FY2024 to S\$2.15 million in FY2025; and (ii) food manufacturing segment also saw an increase in its revenue by approximately S\$0.32 million, from S\$0.03 million in FY2024 to S\$0.34 million in FY2025.

**Other income**

Other income increased by approximately S\$0.24 million or 30.1%, from S\$0.79 million in FY2024 to S\$1.03 million in FY2025. This increase was primarily due to increase in (i) government grants of approximately S\$0.24 million and (ii) marketing incentive income of S\$0.09 million in FY2025 compared to FY2024.

**Purchases and related costs and changes in inventories**

Total purchases and related costs and changes in inventories, decreased by S\$0.73 million or 7.3%, from S\$10.06 million in FY2024 to S\$9.33 million in FY2025. The decrease is in line with the decrease in revenue from Karaoke and Live Show segments.

**Depreciation of plant and equipment**

Depreciation of plant and equipment increased by S\$0.36 million or 9.3% in FY2025, from S\$3.79 million in FY2024 to S\$4.15 million in FY2025, due to additions to plant and equipment following the completion of renovation works in outlets and the expansion in 2 business segments i.e. a restaurant operation (Yakitori One) and food manufacturing, (Cookease).

**Depreciation of right-of-use assets**

Depreciation of right-of-use assets increased by S\$1.34 million or 22.0% in FY2025, from S\$6.11 million in FY2024 to S\$7.45 million in FY2025. The increase aligns with the establishment of new business segments and secured new outlet leases for upcoming new outlets in Singapore and Kuala Lumpur and, in late FY2024, the Group acquired a leasehold property for the food manufacturing business.

**Staff costs**

Staff costs increased by approximately S\$2.54 million or 17.9%, from S\$14.21 million in FY2024 to S\$16.75 million in FY2025. This increase was primarily driven by the higher

## FINANCIAL REVIEW

headcount following the establishment of new outlets, a restaurant and a food manufacture in late FY2024.

### Lease expenses

Lease expenses, comprising gross turnover-based rental charges of respective outlets, decreased by approximately S\$0.62 million or 34.0%, from S\$1.83 million in FY2024 to S\$1.21 million in FY2025, was mainly due to decrease in revenue in both Karaoke and Live Show segments.

### Other operating expenses

Other operating expenses decreased by approximately S\$1.20 million or 12.7%, from S\$9.42 million in FY2024 to S\$8.22 million in FY2025, which was primarily due to the absence of one-off IPO related expenses of S\$1.12 million incurred in FY2024. This was partially offset by the increases in legal and professional fees of S\$0.30 million due to full year expenses being recorded in FY2025, including corporate related expenses since the Group listed in November 2024.

### Finance costs

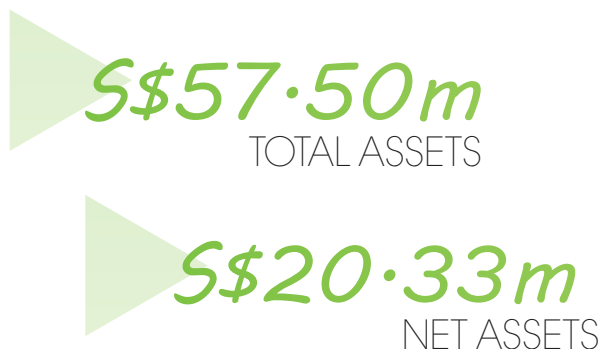
Finance costs, comprise of interest from lease liabilities and bank loans and unwinding of discount on provision for restoration cost, registering a marginal increase as compared to FY2024.

### Profit before taxation

As a result of the aforementioned, the Group's profit before taxation decreased by approximately S\$3.66 million or 52.7%, from S\$6.95 million in FY2024 to S\$3.29 million in FY2025. Excluding depreciation of plant and equipment and right-of-use assets, tax and interest expense and after deducting gross rental paid ("EBITDA"), the EBITDA would be S\$8.64 million in FY2025 as compared to S\$11.26 million in FY2024, decreasing by approximately S\$2.62 million or 23.3%.

The decrease in profit before taxation and EBITDA is mainly due to lower average spending per customer resulting in a decrease in sales of food and beverages, despite increase in customer visits and room usage. Other than this, the Group's staff cost also increased as the Group continues to expand its business since IPO. In addition, the Group incurred pre-operating expenses for the development and preparation of new upcoming outlets to be launched in 2026.

## REVIEW OF STATEMENT OF FINANCIAL POSITION



### Non-current assets

Non-current assets increased by approximately S\$9.60 million or 30.0% from S\$31.98 million as at 31 December 2024 to S\$41.58 million as at 31 December 2025, and representing 72.4% of the Group's total assets, was mainly attributable to:

- (i) Net increase in plant and equipment by approximately S\$4.36 million was mainly due to addition in renovation work in progress of S\$8.38 million for outlets, including 4 upcoming outlets, namely, Bloom & Boom, Sticks & Stones, KTV at Seletar Mall and a flagship outlet in KL, this was partially offsets by depreciation expense of S\$4.15 million for the current financial year.
- (ii) Net increase in right-of-use by approximately S\$6.17 million was mainly due to recognition of additional leases for the outlets as mentioned above and renewal of leases for existing outlets amounting to S\$13.52 million, partially offset with depreciation expense of S\$7.45 million for the current financial year.
- (iii) The increase in non-current assets is offset by a decrease in long-term deposit by approximately S\$0.93 million, from S\$2.98 million to S\$2.05 million. The decrease was primarily attributable to the reclassification of S\$1.81 million to short-term deposits, partially offset by additional lease deposits paid for upcoming outlet in Singapore and Kuala Lumpur amounted to S\$0.74 million. The long-term deposits are security deposits for rental of outlets, and are classified according to the remaining lease term.

## FINANCIAL REVIEW

### Current assets

Current assets decreased by approximately S\$6.07 million or 27.6% from S\$21.95 million as at 31 December 2024 to S\$15.88 million as at 31 December 2025, and representing 27.6% of the Group's total assets, was mainly attributable to:

- (i) Net increase in trade and other receivables by approximately S\$2.72 million or 212.5%, due to (a) reclassification from long-term deposit of approximately S\$1.81 million to short-term deposits and additional deposit placed of S\$0.53 million; and (b) increase in other receivables of approximately S\$0.74 million.
- (ii) Net decrease in cash and bank deposits by approximately S\$8.65 million, from S\$18.81 million to S\$10.16 million as at 31 December 2025, was mainly due to net cash generated from operating activities of S\$13.56 million which was offset with net cash outflow from investing activities. This was mainly due to the purchase of new plant and equipment and renovations for existing and new outlets amounting to S\$8.60 million and financing activities of S\$13.61 million.

### Non-current liabilities

Non-current liabilities increased by approximately S\$2.96 million or 20.8% from S\$14.26 million as at 31 December 2024 to S\$17.22 million as at 31 December 2025, representing 46.4% of the Group's total liabilities, which was mainly attributable to:

- (i) Net increase in lease liabilities by approximately S\$6.25 million mainly due to addition to new leases entered by the Group for the upcoming outlets as well as renewal of existing outlets in the current year.
- (ii) Net decrease in borrowings by approximately S\$3.28 million was mainly due to repayment of borrowings during the financial year.

### Current liabilities

Current liabilities increased by approximately S\$2.51 million or 14.4% from S\$17.40 million as at 31 December 2024 to S\$19.91 million as at 31 December 2025, representing 53.6% of the Group's total liabilities, which was mainly attributable to:

- (i) Net increase in lease liabilities by approximately S\$0.24 million mainly due to additional new leases for new outlets; and
- (ii) Net increase in trade and payables by S\$1.59 million mainly due to increase in amount due to a non-controlling interest amounted to S\$1.87 million arising from its NCI's share of payment on behalf for renovation cost in an upcoming outlet in KL.

### REVIEW OF STATEMENT OF CASH FLOWS

#### Operating activities

Net cash utilised in operating activities before changes in working capital amounted to approximately S\$16.39 million in FY2025 compared to S\$18.29 million in FY2024. The changes in working capital in FY2025 provided a cash outflow of approximately S\$2.84 million (FY2024: S\$2.23 million) as follows:

- (i) Decrease in inventories by S\$0.40 million;
- (ii) Increase in trade and other receivables by S\$1.63 million due to payment of deposit to secure new leases;
- (iii) Increase in prepayment by S\$0.16 million;
- (iv) Increase in trade and other payable by S\$0.52 million due to amount due to a non-controlling interest; and
- (v) Income tax payment of S\$0.93 million.

#### Investing activities

Net cash utilised in investing activities amounted to approximately S\$8.6 million in FY2025 compared to S\$6.56 million in FY2024. The net cash flow used in investing activities in FY2025 was mainly attributable to additions to plant and equipment pertaining to the renovations and equipment for upcoming and existing outlets.

#### Financing activities

Net cash used in financing activities amounted to approximately S\$13.61 million in FY2025 as compared to net cash generated amounting to S\$1.55 million in FY2024. This was mainly due to:

- (i) Dividend of S\$3.0 million paid to equity holders of the Company in April 2025;
- (ii) Dividend of S\$1.03 million paid to non-controlling interests;
- (iii) Payment of lease liabilities of S\$6.81 million;
- (iv) Repayment of borrowings of S\$3.01 million;
- (v) Interest payments of S\$1.37 million;
- (vi) Repurchase of Company's share for S\$0.84 million; and
- (vii) Offset with proceeds from the issuance of preference shares by subsidiary amounted to S\$0.48 million.

## SUSTAINABILITY REVIEW

The Board of Directors (the “**Board**”) of Goodwill Entertainment Holding Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) reaffirms the Group’s commitment to sustainability and recognises the important role that responsible practices play in supporting long-term value creation for stakeholders. Sustainability considerations are embedded in the Group’s strategy through Economic, Environmental, Social and Governance (“**ESG**”) pillars, which guide decision-making, risk management and performance oversight.

This Sustainability Review summarises Company’s approach, governance and focus areas for FY2025 and should be read together with the Group’s Sustainability Report 2025 and the audited financial statements for the financial year ended 31 December 2025.

### Sustainability Governance Structure

The Board is ultimately responsible for the Group’s sustainability agenda, including the identification of material topics, the setting of direction and targets, and the review and approval of disclosures. The Board is advised by the Chief Operating Officer and Chief Financial Officer who coordinate cross-functional efforts and ensure alignment with business objectives and stakeholder expectations. The Group is also exploring the establishment of a Sustainability Steering Committee as its practices mature.

Management’s responsibilities include:

1. Identifying and reviewing material EESG factors;
2. Engaging key stakeholders to understand expectations and concerns;
3. Assessing climate- and sustainability-related risks and opportunities;
4. Proposing policies, initiatives and measurable targets;
5. Implementing data collection and controls to support reliable reporting; and
6. Monitoring performance and reporting to the Board.

The Board and Management work closely to identify material ESG factors, plan initiatives and oversee progress. The availability of more robust ESG data over time will further enhance transparency and support stakeholders’ assessment of the Group’s sustainability performance.

The Group continues to upgrade directors’ and management’s competencies on sustainability matters, consistent with SGX Catalist requirements and good practice.

### Reporting Approach

Goodwill Entertainment Holding Limited’s FY2025 Sustainability Report is prepared with reference to the Global Reporting Initiative (“**GRI**”) Standards, and guided, where relevant, by the ISSB’s IFRS S1 and IFRS S2 recommendations. The Report addresses SGX-ST Catalist Rules 711A and 711B on sustainability reporting. Internal controls and verification processes underpin the reliability of narratives and data; the FY2025 sustainability report has not been externally assured, and the Group will evaluate external assurance in future cycles.

The FY2025 scope covers the Group’s key operating entities in Singapore and Malaysia, with plans to expand historical comparatives and metrics as data systems mature. Where appropriate, narrative disclosures are supplemented by methodology notes (e.g., energy and emissions conversion factors) to support clarity and comparability.

## SUSTAINABILITY REVIEW

### Key Focus Areas and Selected Initiatives

- Energy management & environmental stewardship:** The Group is progressively adopting energy-efficient LED lighting, enhancing air-conditioning maintenance, and conducting staff awareness and training on energy conservation. These measures target reductions in electricity use across venues and the central kitchen. The Group is building capabilities to broaden its disclosures (including Scope 3 in future periods) and intends to commence Scope 1 fuel tracking for vehicles in the next cycle.
- Climate-related disclosures:** In FY2025, Company reports Scope 2 (location-based) emissions from purchased electricity and outlines its plan to develop Scope 1 measurement processes. The Group is progressively aligning with IFRS S2, strengthening data collection and laying the groundwork for scenario analysis and future quantitative targets.
- People and workplace:** Employee health and safety is a top-priority. The Group emphasises safe operations across its entertainment venues, F&B outlets and central kitchen, with ongoing training, monitoring and prevention-focused practices. The Group also prioritises employee training and advancement, and seeks to foster a diverse, inclusive workforce through fair employment practices.
- Ethics and governance:** The Group maintains a Code of Conduct, Conflict-of-Interest Policy and a Whistleblowing Procedure overseen by the Audit Committee, with zero confirmed incidents of corruption reported for FY2025.

### Materiality and Stakeholder Engagement

The Company applies a dual-perspective materiality assessment-considering (i) significance to the business and financial prospects, and (ii) relevance to stakeholders and external impacts-to prioritise sustainability topics and guide resource allocation. In FY2025, the Group's material topics include, among others: Employee Health & Safety; Economic Performance; Employee Training & Advancement; Energy; Employment; Anti-Corruption; Workforce Diversity; and Greenhouse Gas Emissions. Engagement with employees, customers, investors, suppliers, regulators and communities informs priorities and continuous improvement.

### Targets, Time Horizons and Continuous Improvement

As FY2025 is the Group's first year of sustainability reporting, the Company is establishing baselines and will formalise quantitative, time-bound targets from FY2026, with indicative time horizons defined as: short-term to FY2027, medium-term to FY2030, and long-term to FY2050. Focus areas include energy efficiency, emissions reporting and intensity metrics, workforce development and safety, and governance practices. Progress will be disclosed as measurement capabilities strengthen.

### Availability and Feedback

The Group's Sustainability Report 2025 complements the Annual Report and is available at the website of SGX-ST ([www.sgx.com](http://www.sgx.com)) on the Company's website ([www.goodwillsg.com](http://www.goodwillsg.com)). Stakeholders are encouraged to share feedback on COMPANY's sustainability approach and disclosures via [events@goodwillsg.com](mailto:events@goodwillsg.com).

# CORPORATE GOVERNANCE REPORT

## INTRODUCTION

Goodwill Entertainment Holding Limited (the “**Company**”) was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 15 November 2024 (“**Listing Date**”).

The Board of Directors (the “**Board**”) and the management (the “**Management**”) of Goodwill Entertainment Holding Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) are committed to maintaining a high standard of corporate governance and continues to strive towards a high standard of corporate governance and transparency.

This report outlines the Group’s corporate governance practices adopted by the Group for the financial year ended 31 December 2025 (“**FY2025**”), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) issued by the Monetary Authority of Singapore and accompanying Practice Guidance, and where applicable the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) and the Companies Act 1967 (the “**Companies Act**”).

The Board is pleased to report that for FY2025, the Company has adhered to all principles and provisions set out in the Code pursuant to Rule 710 of the Catalist Rules as set out in this report. Where there are deviations from the Code, appropriate explanations will be provided.

- A. BOARD MATTERS**
- B. REMUNERATION MATTERS**
- C. ACCOUNTABILITY AND AUDIT**
- D. SHAREHOLDER RIGHTS AND ENGAGEMENT**
- E. MANAGING STAKEHOLDERS RELATIONSHIP**

Shareholders are reminded that this report should be read as a whole as other sections of this report may also have an impact on the specific disclosures in any one section.

## **A. BOARD MATTERS**

### **1. 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.***

The Company is headed by an effective Board, which is collectively responsible and works with the Management for the long-term success of the Company. Please refer to Provisions 1.1 to 1.7 below for more details and instances of the Company’s compliance with this principle.

#### Provision 1.1 – Duties of the Board

Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

## CORPORATE GOVERNANCE REPORT

The Board works with the Management and is collectively responsible for the long-term success of the Company, and oversees the corporate policy and overall strategy for the Group. Besides carrying out its statutory responsibilities, the principal roles and responsibilities of the Board, amongst others, include:

- (a) overseeing and approving the Group's overall long-term strategic objectives and directions;
- (b) overseeing and reviewing the management of the Group's business affairs, performance and resource allocation;
- (c) overseeing the processes of evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- (d) identifying the key stakeholder groups and review the effect of their perception on the company's reputation;
- (e) considering sustainability issues as part of its strategic formulation; and
- (f) assuming responsibility for corporate governance.

The day-to-day operations are entrusted to the Executive Director who is assisted by an experienced and qualified team of executive officers. The delegated functions and work tasks are periodically reviewed. Approvals have to be obtained from the Board prior to any significant transactions entered into by these officers.

All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group.

All Directors are required to disclose their business interests and any potential or actual conflicts of interest that they are aware of, or as soon as such conflicts become apparent. In any situation that involves a conflict of interest with the Company, Directors recuse themselves from participating in any discussion and decision on the matter.

The Board as at the date of this report comprises the following members:

Name of Director	Designation	Date of Appointment
Mr. Lu Mang ("Mr. Flint Lu")	Executive Chairman and CEO	12 December 2016
Mr. Thang Teck Jong	Vice Chairman and Non-Executive Director	1 October 2024
Mr. Huang Junli, Christopher ("Mr. Christopher Huang")	Lead Independent Non-Executive Director	1 October 2024
Mr. Ng Tse Meng	Independent Non-Executive Director	1 October 2024
Mr. Foong Daw Ching	Independent Non-Executive Director	1 October 2024

The profiles of each Director are presented under the section entitled "Board of Directors" of the Annual Report.

# CORPORATE GOVERNANCE REPORT

## Provision 1.2 – Directors’ Orientation and Training

Directors understand the company’s business as well as their directorship duties (including their roles as executive, non – executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company’s expense. The induction, training and development provided to new and existing directors are disclosed in the company’s annual report.

All newly-appointed Directors attend an orientation meeting with Mr. Flint Lu and key management personnel to familiarise themselves with the Group’s business, operations and governance practices. The Board has the opportunity to participate in events hosted by the Company and meet with the Management to gain a better understanding of the Group’s business operations. In addition, Directors are provided with the contact details of key executives, the Company Secretary and Auditors to facilitate efficient and direct access of information to make informed decision to properly discharge their duties and responsibilities. A formal letter of appointment is provided to each Director upon their appointment setting out, among other matters, their roles, obligations, duties and responsibilities as members of the Board.

In the course of serving their terms as members of the Board, the Directors are provided with updates on changes in the relevant laws and regulations. In addition, the Directors are also kept informed of changing commercial risks faced by the Group through briefings at Board meetings, as well as articles and industry reports circulated by the Management to the Board. The Company encourages the Directors to attend appropriate courses, conferences and seminars in areas of directors’ duties and responsibilities, corporate governance, changes in financial reporting standards, Catalist Rules, insider trading, changes in the Companies Act and industry-related matters, to develop themselves professionally, at the Company’s expense.

As stipulated under Catalist Rule 406(3)(a), Directors who are appointed and who have no prior experience as directors of a listed company in Singapore will have to attend the Listed Entity Director (“LED”) courses organised by Singapore Institute of Directors (“SID”) within one (1) year of his appointment. As at the date of this report, Mr. Flint Lu and Mr. Ng Tse Meng have completed the required LED course organised by SID within the first year of the Company’s listing.

The Company will from time to time arrange for relevant and appropriate continuous professional training to all the Directors to develop and refresh their knowledge and skills in relation to the Catalist Rules to enable them to better discharge their duties as a Director of the Company.

## Provision 1.3 – Board Approval

The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company’s annual report. Non-Executive Directors and Independent Directors are routinely kept apprised of ongoing business developments and operations by the Executive Director and the Management at meetings of the Board or via email and other communications.

The Directors actively discuss, deliberate and appraise matters requiring their attention during regular meetings held in the financial year. If required, time is set aside before or after scheduled Board meetings for discussion amongst the Directors without the presence of Management. Non-Executive Directors and Independent Directors, either individually or as a group, have full access to the Executive Director, the Management and the Company Secretary.

## CORPORATE GOVERNANCE REPORT

While the Management is responsible for the day-to-day operation and administration of the Group, the approval of the Board is required for matters such as (a) reviewing and approving of periodic financial results announcements and annual audited financial statements; and (b) matters requiring announcements on the SGX-ST such as (i) the declaration of dividends and other returns to shareholders, (ii) corporate policies in key operational areas, including corporate or financial restructuring and share issuance, mergers and acquisitions, material acquisitions and disposals, approval of transactions involving interested persons, and (iii) appointment of new Directors. The Management is aware that such matters must be approved by the Board.

### Provision 1.4 – Delegation by the Board to Board Committees

Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report. The Board is the highest authority of approval and specific functions of the Board are either carried out by the Board or through various committees established by the Board, namely, the Audit and Risk Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, the "**Board Committees**" and each a "**Board Committee**")

The Board delegates specific areas of responsibilities to such Board Committees. These Board Committees function within clearly defined written terms of reference and operating procedures, which are reviewed on a regular basis to ensure their continued relevance. The Board Committees assist the Board in carrying out its stewardship and fiduciary responsibilities. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board. The chairperson of each Board Committee will report to the Board on the outcome of the respective Board Committee meetings.

As at the date of this report, each of the Board Committees comprises of the Independent Directors of the Company. The composition of the Board Committees for FY2025 is tabulated below:

	AC	NC	RC
<b>Chairman</b>	Mr. Foong Daw Ching	Mr. Ng Tse Meng	Mr. Christopher Huang
<b>Member</b>	Mr. Ng Tse Meng	Mr. Foong Daw Ching	Mr. Foong Daw Ching
<b>Member</b>	Mr. Christopher Huang	Mr. Christopher Huang	Mr. Ng Tse Meng

Information on the AC, RC, and NC, their respective terms of reference, summaries of their activities and any delegation to them by the Board of its decision-making authority can be found in the subsequent sections of the Annual Report.

### Provision 1.5 – Board Meetings and Attendance

Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the Company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company. The Board will meet at least half-yearly, and on an ad-hoc basis, if required, as deemed appropriate by the Board members, to consider and approve the announcements, circulars, annual reports (including financial statements) and other publications of the Group, discuss business, financial and corporate governance update and interim and annual results. In between Board meetings, any important matter will be tabled for the Board's approval by way of circulating resolutions in writing.

## CORPORATE GOVERNANCE REPORT

While the Board considers attendance at Board meetings as important, it should not be the only criteria to measure the contributions of the Directors. The Board also takes into account the contributions by Directors in other forms including periodical reviews as well as provision of guidance and advice on various matters relating to the Group.

The Constitution allows Board meetings to be conducted via any form of audio or audio-visual, electronic or instantaneous communication. The Directors are free to discuss any information or views presented by any member of the Board and the Management. Important matters concerning the Group are also tabled for the Board's consideration and approval by way of written resolutions. The Company adopts a policy which welcomes Directors to request for further explanations, briefings or informal discussions on any aspect of the Group's operations or business from the Management. When necessary or appropriate, members of the Board exchange view outside the formal environment of board meetings. Each Board member is expected to objectively discharge his or her duties and fiduciary responsibilities in the best interests of the Company.

The attendance record of the Directors at the meetings of the Board and Board Committee meetings held during FY2025 are set out as follows:

	Board	AC	RC	NC
Number of meetings held in FY2025	3	3	-	-
Name of Directors	Number of meetings attended			
Mr. Flint Lu	3	3 <sup>(1)</sup>	-	-
Mr. Thang Teck Jong	2	1 <sup>(1)</sup>	-	-
Mr. Christopher Huang	3	3	-	-
Mr. Ng Tse Meng	3	3	-	-
Mr. Foong Daw Ching	3	3	-	-

Note:

(1) Attended as an invitee

There were no formal meetings conducted by the RC and NC during FY2025 as the Company was newly listed on the Catalist of the SGX-ST in November 2024. Given that the Directors were newly appointed just three months prior to the commencement of FY2025, a formal performance evaluation and remuneration review conducted during FY2025 would be premature as such reviews would not have been substantive and based on a sufficient track record of the Company's post-listing operations. The RC and NC have scheduled their inaugural post-listing meetings to be held in the financial year ending 31 December 2026 ("FY2026"). The Board is satisfied that the absence of these meetings in FY2025 does not compromise the Group's corporate governance standards, as the current Board structure and remuneration policies remain aligned with the disclosures made in the offer document of the Company dated 30 October 2024.

### Provision 1.6 – Access of Information

Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

# CORPORATE GOVERNANCE REPORT

The Company recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. The Management provides the Board with key information that is complete, adequate and in advance to enable the Directors to make timely decisions, effectively discharge their duties and make a balanced and informed assessment of the performance, position and prospects of the Company.

The Management provides members of the Board with management accounts, as well as relevant background and explanatory information relating to the matters that would be discussed in the Board meetings, prior to the scheduled meetings. All Directors are also furnished with timely updates on the financial position and any material development of the Group as and when necessary. Any additional materials or information requested by the Directors are promptly furnished. If necessary, management staff who are able to explain and provide insights to the matters to be discussed are invited to present to the Board and answer any queries that the Directors may have.

## Provision 1.7 – Independent Access to Management and Company Secretary

Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole. The Directors also have access to the Company Secretary who attends all Board and its Board Committees' meetings. The Company Secretary assists the Chairman and the Board to implement and strengthen corporate governance practices and processes. The Company Secretary also assists the Directors in the preparation of Directors' resolution, recording of minutes of meetings, the facilitation of the general meeting proceedings, the preparation and release of all SGX-ST announcements as well as updates on the relevant changes to the Companies Act, Catalist Rules and the Code.

The Board is given the names and contact details of the Management and the Company Secretary and external advisers, where necessary, to facilitate direct, separate and independent access to the foregoing parties. The appointment and removal of the company secretary are subject to the approval of the Board as a whole.

Where the Directors either individually or as a group (including as AC, RC and NC), in the furtherance of their duties, require independent professional advice, assistance is available to assist them in obtaining such advice at the Company's expense.

## **2. Board Composition and Guidance**

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

### Provision 2.1 – Board Independence

The Board considers that it 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. Please refer to Provisions 2.1 to 2.5 below for more details and instances of the Company's compliance with the principle.

Provision 2.1 – An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

During FY2025 and up to the date of this report, the Board comprises five (5) Directors, of which three (3) are Independent Directors. Accordingly, the Company has complied with the requirement under the Code for the majority of the Board to comprise independent directors where the Chairman is not independent.

## CORPORATE GOVERNANCE REPORT

The independence of each director is assessed and reviewed annually by the NC. In the review and deliberation of the independence of the three (3) Independent Directors, the NC has considered the guidelines for independence set out in Provision 2.1 of the Code as well as the Catalist Rules, including whether a director has business relationships with the Group, its substantial shareholders or its officer and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independence business judgement in the interests of the Group.

Each Independent Director is required to complete an annual declaration to confirm his/her independence based on the applicable Catalist Rules and the guidelines as set out in the Code. The Directors must also confirm whether they consider themselves independent despite not having any relationship identified under the applicable Catalist Rules and the Code.

The Board recognises that Independent Directors may over time develop significant insights in the Group's business and operations and can continue to provide noteworthy and valuable contribution objectively to the Board as a whole. The independence of the Independent Directors must be based on the substance of their professionalism, integrity, and objectivity, and not merely based on form such as the number of years which they have served on the Board. Nevertheless, when there are directors who have served beyond nine (9) years from the date of their first appointment, the Board will rigorously review their continuing contributions and independence and decide if they should continue with the appointment.

For FY2025, the NC has assessed and is satisfied that all the three (3) Independent Directors are independent.

As at the date of this report, none of the Independent Directors has served on the Board beyond nine (9) years from their respective date of appointment.

### Provisions 2.2 and 2.3 – Proportion of Non-Executive and Independent Directors

Independent directors make up a majority of the Board where the Chairman is not independent. The Company has complied with the relevant provision as majority of the Board are Independent Directors.

Non-executive directors make up a majority of the Board. The Company has complied with the relevant provision as majority of the Board are Independent Non-Executive Directors.

### Provision 2.4 – Board Composition and Diversity

The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report. The profiles of the Directors and key information are set out on under the section entitled "Board of Directors" of the Annual Report.

The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group's businesses, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, considers that a board size of five (5) members is appropriate.

The Board believes that its current board size and the existing composition of the Board Committees effectively serve the Group. It provides diversity and allows for informed and constructive discussion and effective decision making at the Board meetings. The Board will, however, continue to review opportunities to refresh the Board with a view to expanding the skills, experience and diversity of the Board as a whole.

## CORPORATE GOVERNANCE REPORT

In reviewing Board composition and succession planning, the NC considers the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. The Group's Board diversity policy endorses the principle that its Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business so as to mitigate against groupthink and to ensure that the Group has the opportunity to benefit from all available talents. In reviewing Board composition and succession planning, the NC considers the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.

The current Board composition reflects the Company's commitment to board diversity. The NC conducts its annual review of the composition of the Board, which comprises members from different backgrounds whose core competencies, qualifications, skills and experiences, meet with the requirements of the Group at the point in time. Each Director has been appointed on the strength of his calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group's strategy and the performance of its business.

While our current composition of the Board comprises all male, these members offer a valuable range of skill sets, experiences, industry disciplines, ages, and cultural backgrounds, which drives a diversity of thought. In line with the diversity policy, while we actively strive to prioritise female candidates in the selection process for any future director appointments, our overarching priority is to cultivate diversity of thought within the Board – encompassing varied professional backgrounds, industry expertise, ages, perspectives and cultural insights – which could lead to more robust discussions and stronger strategic outcomes. Therefore, while gender diversity is a key target, no Board member will be appointed merely to fulfill a "diversity-hire" quota. All appointments will be based on overall suitability, ensuring that each new director contributes meaningfully to the Board's comprehensive capabilities and strategic objectives. The Company does not prescribe a timeline for the appointment of a female director as such appointment will be dependent on the Company's business needs and adequacy of the Board composition as whole. The Company remains committed to implementing the diversity policy and any further progress made towards the implementation of the policy will be disclosed in future annual reports.

The NC will continue to review the Board diversity policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. It will also continue its identification and evaluation of suitable candidates to ensure that there is diversity to the Board.

### Provision 2.5 – Meetings of Non-Executive Directors and Independent Directors

Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

The Independent Directors, led by the Lead Independent Director, meet amongst themselves at least once a year without the presence of the Management to discuss and evaluate the performance of the Management as well as the remuneration of the executive directors. The feedback and views expressed by the Independent Directors were communicated by the Lead Independent Director to the Board and/or the Chairman, as appropriate.

During FY2025, the Independent Directors have met once with external auditor in the absence of the Management.

# CORPORATE GOVERNANCE REPORT

## 3. Chairman and Chief Executive Officer

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

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

Please refer to Provisions 3.1 to 3.3 below for more details and instances of the Company's compliance with such principle.

### Provision 3.1 – Chairman and CEO should be separate persons

Mr. Flint Lu is the Executive Chairman and CEO of the Company. In order to address the issue of independence given that the Chairman and the CEO are the same person, the Board has appointed Mr. Christopher Huang as Lead Independent and Non-Executive Director to serve as a sounding board for the Chairman and also as an intermediary between the non-executive Directors and the Chairman to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

As the Executive Chairman and CEO of the Company, Mr. Flint Lu has demonstrated his ability to lead the Board in an effective and strategic manner. As Executive Chairman and CEO, he has played a pivotal and instrumental role in developing the Group's businesses, allowing the Company to effectively plan and execute business strategies and deal with the Group's strategic challenges, while ensuring and upholding high standards of corporate governance. Given his continued, demonstrated track record as Executive Chairman and CEO, the Board considers it to be in the Group's best interest for Mr. Flint Lu to continue leading as Executive Chairman and CEO.

In view that Mr. Flint Lu is both the Executive Chairman and CEO, the Company has in place the following arrangements and appointments to ensure that no one individual has unfettered powers of decision-making:

- (a) as disclosed under Principle 2, all Board Committees are chaired by Independent Directors, and all or a majority of the members of each Board Committee are Independent Directors. The Lead Independent Director or other Independent Director may, as and when he deems necessary and appropriate, call and lead meetings without the presence of the Management, and the chairman of such meetings would provide feedback to the Board and/or Chairman as appropriate;
- (b) all independent Directors are actively engaged in deliberating on Board agenda and debates and promoting a high level of corporate governance relating to all material corporate actions (including in relation to operational, financial or compliance matters);
- (c) as disclosed under Principle 1, the Board conducts regular scheduled meetings to keep the Board updated on the Group's financial position and business activities, and the overall business environment in which the Group engages. Where the Board or the Board Committees' approval is required for important and critical matters concerning the Group, the inputs and approval of all Directors or Board Committee members (as the case may be) would be sought, whether through meetings held by electronic means or the passing of Board resolutions. The Management performs its duties diligently based on the decisions of and approvals obtained from the Board and Board Committees; and
- (d) the Chairman and CEO's performance and appointment to the Board and remuneration package is reviewed periodically by the RC and the NC respectively.

# CORPORATE GOVERNANCE REPORT

Notwithstanding the requirement in Provision 3.1 of the Code that the Chairman and CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making, the Board believes that, in view of the above, there are sufficient strong and independent elements on the Board, and adequate safeguards in place such that no one individual has unfettered powers of decision-making and is of the view that the existing practices adopted by the Company are consistent with the intent of Principle 3 of the Code.

## Provision 3.2 – Role of Chairman and CEO

The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

Mr. Flint Lu's principal roles and responsibilities as Executive Chairman of the Board is to lead the Board in developing sound policies and strategies for the Company, ensuring that they are implemented effectively, as well as promoting high standards of corporate governance. Mr. Flint Lu also provides leadership to the Board, ensuring that Board meetings are held regularly and promoting a culture of open and constructive debate, with Board members being provided with complete and timely information.

As the CEO, Mr Flint Lu makes key decisions on the management and operations of the Group and is responsible for the conduct of the business and affairs of the Group, supported by the key management.

The growth of the Company under Mr. Flint Lu's leadership over the years clearly demonstrates his ability to discharge the responsibilities of both his roles as Executive Chairman and CEO effectively.

## Provision 3.3 – Lead Independent Director

The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

Having regard to the nature of business and the structure of the Board and the Management, Mr. Christopher Huang was appointed as the Lead Independent and Non-Executive Director on 1 October 2024. He is available to shareholders should they have concerns which cannot be resolved or are inappropriate or inadequate to raise through the normal communication channels with the Chairman and the Management.

There was no query or any matters which required the Lead Independent Director's attention received in FY2025 and up to the date of the report.

## **4. 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.***

The Board is of the view that it has a formal and transparent process for the appointment and reappointment of Directors, taking into account the need for progressive renewal of the Board.

Please refer to Provisions 4.1 to 4.5 below for more details and instances of the Company's compliance with such principle.

# CORPORATE GOVERNANCE REPORT

## Provision 4.1 – Nominating Committee Role

The Board establishes a NC to make recommendations to the Board on relevant matters relating to:

- (a) the review of succession plans for directors, in particular, the appointment and/or replacement of the Chairman, the CEO and key management personnel;
- (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;
- (c) the review of training and professional development programmes for the Board and its directors; and
- (d) the appointment and re-appointment of directors (including alternate directors, if any).

The Company has established the NC, and the NC is guided by the written terms of reference of the NC which include:

- (a) developing and maintaining a formal and transparent process for the selection, appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board;
- (b) reviewing and making recommendations to the Board on the appointment and re-appointment of Directors, taking into consideration each Director's competencies, commitment, contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, his performance as an Independent Director, as well as appraising the qualifications and experience of any proposed new appointments to the Board and recommending to the Board whether the nomination should be supported;
- (c) ensuring that Directors submit themselves for re-nomination and re-election at least once every three (3) years;
- (d) reviewing and approving any employment of related employees (being employees that are related to the Directors, Executive Officers and/or Substantial Shareholders) and proposed terms of their employment;
- (e) ensuring that Directors disclose their relationships with the Company, related corporations (being its holding company, subsidiary or fellow subsidiary), Substantial Shareholders or its officers, which may affect their independence and review such disclosures to highlight these to the Board as required, and provide its views to the Board for the Board's consideration;
- (f) reviewing and determining on an annual basis and as and when circumstances require, whether or not a Director is independent, taking into account the circumstances set forth in the Code, the Practice Guidance to the Code, the Catalist Rules and any other salient factors;
- (g) ensuring that new Directors are aware of their duties and obligations, as well as reviewing and deciding whether or not a Director is able to and has been adequately carrying out his duties as Director;
- (h) (in respect of a Director who has multiple board representations on various companies, if any) reviewing and determining, on an annual basis (or more frequently as the NC deems fit), whether such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments, and establish guidelines on maximum number of directorships and principal commitments for each Director (or type of Director) shall be;

## CORPORATE GOVERNANCE REPORT

- (i) reviewing the training and professional development programmes for the Board, its board committees and the directors in particular, ensuring that new Directors are aware of their duties and obligations;
- (j) reviewing succession plans for Directors and Executive Officers;
- (k) reviewing the composition of the Board annually to ensure that the Board and the Board committees (i) are of an appropriate size, (ii) are of 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 and to set the objectives for achieving board diversity and review the Company's progress towards achieving these objectives; and (iii) comprise Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate, and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-base experience or knowledge;
- (l) developing a process and criteria for evaluation of the performance of the Board as a whole and its committees, and assess the contribution of each Director to the effectiveness of the Board; and
- (m) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules and by such amendments made thereto from time to time.

In addition, the NC undertakes a formal annual assessment of the Board's effectiveness as a whole and that of each of the Board Committees and individual Directors. The NC will make recommendations to the Board on the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each of the Board Committee separately, as well as the contribution of each individual Director to the Board. The assessment should consider the composition of the Board of Directors (balance of skills, gender, experience, independence, knowledge of the Group, and diversity), board practices and conduct, and how the Board of Directors as a whole adds value to the Group.

### Provision 4.2 – Nominating Committee Composition

The NC comprises at least three (3) directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC. The Board has established the NC which comprises three (3) members, Mr. Ng Tse Meng, Mr. Foong Daw Ching and Mr. Christopher Huang. All the members of the NC, including the NC Chairman, are independent and non-executive.

The Chairman of the NC is Mr. Ng Tse Meng. Mr. Christopher Huang, the Lead Independent Non-Executive Director of the Company, is a member of the NC.

### Provision 4.3 – Reviewing and Recommending Nomination for Selection, Appointment and Re-appointment of Directors

The Company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report. While the Company has not adopted any formal nomination policy, the NC relies on the following guidelines set out below to identify individuals suitably qualified to become directors and make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria. The Board is ultimately responsible for the selection and appointment of new directors, taking into account the need for the progressive renewal and diversity of the Board. The Company shall review and reassess the aforesaid guidelines and its effectiveness on a regular basis or as required.

# CORPORATE GOVERNANCE REPORT

## Process for Selection

The NC conducts an annual review of the balance, diversity and size of the Board to determine whether any changes are required in relation to the Board composition. Where the need for a new Director arises, candidates would first be sourced through the Company's network of contacts and referrals. The NC may engage a talent acquisition firm to identify a broader range of candidates. Suitable candidates would be interviewed by the NC and/or the Board and then assessed and nominated by the NC to the Board, which retains the final discretion in appointing such new Director.

The NC will take into account whether a candidate has the qualifications, skills, experience and gender diversity that add to and complement the range of skills, experience and background of existing Directors by considering the highest personal and professional ethics and integrity of the director candidates, proven achievement and competence in the nominee's field and the ability to exercise sound business judgment, skills that are complementary to those of the existing Board, the ability to assist and support management and make significant contributions to the Company's success and such other factors as it may deem are in the best interests of the Company and its Shareholders.

## Appointment of New Directors

In assessing and recommending a candidate for appointment to the Board, the process of selection and appointment of new directors by the NC are as follows:

- (a) the current needs of the Board to complement and strengthen the Board is taken into consideration. The independence of a director, where applicable, is determined in accordance with the recommendations of the Code;
- (b) the candidates proposed by the Directors, key management personnel or substantial shareholders will be considered;
- (c) the NC would meet and interview the shortlisted candidates to assess their suitability; and
- (d) the selected candidate is recommended to the Board for consideration and approval.

The NC may also engage a talent acquisition firm to search for new Directors at the Company's expense. There were no external search consultants engaged in FY2025, as the Board had already appointed four (4) directors and was not in the process of identifying any additional appointment to the Board. New Directors are appointed by way of a board resolution after the NC recommends the appointment for the Board's consideration and the same has been approved by the Board.

## Process for Re-Appointment of Directors

The role of the NC includes the responsibility of reviewing the re-nomination of directors who retire by rotation, taking into consideration the director's integrity, independent mindedness, contribution and performance (such as attendance, participation, preparedness and candour) and any other factors as may be determined by the NC.

Pursuant to Regulation 97 of the Company's Constitution and in compliance with Catalist Rule 720(4), all the Directors are required to submit themselves for re-nomination and re-election at least once every three years, and each retiring Director is eligible to offer themselves for re-election. Pursuant to Regulation 103 of the Company's Constitution, a newly appointed Director shall hold office only until the next AGM and shall then be eligible for re-election at the AGM. Thereafter, he/she is subject to retirement by rotation once every three years.

Mr. Flint Lu was last re-elected as Director of the Company on 30 June 2024 at the Annual General Meeting held prior to the listing of the Company whereas Mr. Thang Teck Jong, Mr. Christopher Huang, Mr. Ng Tse Meng and Mr. Foong Daw Ching were re-elected at the FY2024 AGM held on 29 April 2025.

## CORPORATE GOVERNANCE REPORT

### Provision 4.4 – Continuous Review of Director’s Independence

The NC evaluates on an annual basis whether an Independent Non-Executive Director (including their respective immediate family members) is independent in accordance with the Code and the Catalist Rules. Any Director who has served on the Board beyond nine (9) years from the date of his first appointment is subject to particularly rigorous review by the NC.

Each Independent Director is required annually to confirm his/her independence. Further, the NC determines annually, and as and when circumstances require, whether a Director is independent, taking into consideration the disclosures by the Directors of any relationships with the Company, its related corporations, its substantial shareholders or its officers and the checklist completed by each Independent Director.

The Independent Directors have confirmed that they do not have any relationship with the Company, its related companies, its shareholders who hold more than 5% of its shares, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors’ independent judgement which is to be in the best interests of the Company and Group.

Having made its review, the NC is of the view that all Independent Directors have satisfied the criteria for independence during FY2025.

Each member of the NC has abstained from deliberations in respect of the assessment of his independence.

There is no Independent Director who has served beyond nine (9) years since the date of his first appointment.

### Provision 4.5 – Directors’ Commitments

The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The Company discloses in its annual report the listed company directorships and principal commitment of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC’s and Board’s reasoned assessment of the ability of the director to diligently discharge his or her duties.

The NC ensures that new directors are aware of their duties and obligations. For re-nomination and re-appointment of directors, the NC takes into consideration the competing time commitments faced by directors and their ability to devote appropriate time and attention to the Group.

When a Director has multiple listed company directorship and other principal commitments, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company.

Each Director is required to confirm annually to the NC as to whether he or she has any issue with competing time commitments which may impact his/her ability to provide sufficient time and attention to his/her duties as a Director of the Company.

During the year, the NC had reviewed the directorships and principal commitments disclosed by each Director and was of the view that the existing directorships and principal commitments of the respective Directors have not impinged on their abilities to discharge their duties. The Board concurred with the NC.

## CORPORATE GOVERNANCE REPORT

The directorships and principal commitments of each of the Directors are set out below:

Name	Directorships in Other Listed Companies	Principal Commitments
Mr. Flint Lu	Nil	Nil
Mr. Thang Teck Jong	Travelite Holdings Ltd.	Nil
Mr. Christopher Huang	Aztech Global Ltd.	CHP Law LLC DEVL Pte. Ltd. Grey Ogre Games Pte. Ltd. Vesuva Pte. Ltd. Agritisan Pte. Ltd. Mercadia Pte. Ltd.
Mr. Ng Tse Meng	RF Acquisition Corp II RF Acquisition Corp III GCL Global Holdings Ltd.	Vista Venture Holdings Pte. Ltd. Alfa Property Management Pte. Ltd. Jinchi International Information Technology Pte. Ltd. Khaos Pte. Ltd. Stepfwd Investments Pte. Limited GCL Global Holdings Ltd OMS Energy Technologies Inc Rightkey Capital Pte. Ltd.
Mr. Foong Daw Ching	ABR Holdings Limited Suntar Eco-City Limited Noel Gifts International Ltd.	Crestar Education Group Pte. Ltd. St Luke's Eldercare Ltd. St. Luke's Hospital Tung Ling Preschool Education Limited Kinderland International Education Pte Ltd KLC International Institute Pte Ltd.

Based on the Directors' annual confirmation and the Directors' commitments and contributions to the Company, which are also evident in their level of attendance and participation at Board and Committee meetings, the NC and the Board are satisfied that all the Directors were able to and have been adequately carrying out their duties as Directors of the Company in FY2025. The NC concluded that there is no need to impose a limit on the number of board representations at this stage. The Board affirms and supports this view.

No alternate Director has been appointed to the Board.

### 5. Board Performance

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

The Board, through the NC, has used its best efforts to ensure that directors appointed to the Board and the Board Committees, whether individually or collectively, possess the background, experience and the relevant skills set which are critical to the Group's business. It has also ensured that each director, with his/her special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

## CORPORATE GOVERNANCE REPORT

Based on the recommendations by the NC, the Board has established processes and objective performance criteria for evaluating the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the Chairman and individual Directors to the effectiveness of the Board.

Please refer to Provisions 5.1 to 5.2 below for more details and instances of the Company's compliance with such principle.

### Provision 5.1 – Performance Criteria and Evaluation

The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board. An annual performance evaluation process by the NC to assess the performance of the Board as a whole, its Board Committees and each individual Director to the effectiveness of the Board is conducted through completion of a confidential questionnaire and an individual self-assessment by each Director. The Company Secretary will collate the Board and Directors' evaluations and provide the summarised results to the NC Chairman. The NC would then discuss the evaluation and conclude the performance results during the NC meeting. The Board Chairman will act on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or in the case of resignation, new directors may be sought.

The assessment parameters for such individual evaluation include qualitative and quantitative factors such as performance of principal functions and fiduciary duties, Director's attendance at meetings and his or her contribution and performance at such meetings. The NC and the Board strives to ensure that each Director, with his or her contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The primary objective of the board evaluation exercise is to create a platform for the Board and its Board Committees' members to provide constructive feedback on the board procedures and processes and the changes which should be made to enhance the effectiveness of the Board and its Board Committees.

### Provision 5.2 – Assessment of the Board, Board Committees and Individual Directors

The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.

Notwithstanding the above evaluation process in place, with regard to FY2025, there were no formal meetings conducted by the NC during FY2025 as the Company was newly listed on the Catalist of the SGX-ST in November 2024. Given that the Directors were newly appointed just three months prior to the commencement of FY2025 and a formal performance evaluation conducted during FY2025 would be premature as such reviews would not have been substantive and based on a sufficient track record of the Company's post-listing operations, the NC had waived the exercise for FY2025. The NC will consider the performance of each individual Director, the Board Committees and the Board for every financial year going forward. For avoidance of doubt, each member of the NC will abstain from voting on any resolution in respect of the assessment of his/her performance or renomination as Director. The NC is responsible for assessing the effectiveness of the Board, the Board Committees and each individual Director. All NC members have abstained from voting or review process of any matters in connection with the assessment of his/her own performance.

During FY2025, the Board did not engage an independent external consultant to facilitate the annual review of the performance of the Board and the Board Committees. However, the NC will consider such an engagement as and when necessary, at the Company's expense.

# CORPORATE GOVERNANCE REPORT

## B. REMUNERATION MATTERS

### 6. 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.***

The Board is of the view that it has a formal and transparent procedure for developing policies on Director's and executive's 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.

Please refer to Provisions 6.1 to 6.4 below for more details and instances of the Company's compliance with such principle.

#### Provision 6.1 – Remuneration Committee Role

The Board establishes a RC to review and make recommendations to the Board on:

- (a) a framework of remuneration for the Board and key management personnel; and
- (b) the specific remuneration packages for each director as well as for the key management personnel. The Company has established the RC, and the terms in the terms of reference of the RC include but are not limited to the following:
  - (i) reviewing and recommending to the Board for approval a comprehensive framework and guidelines for the remuneration of remuneration for the Directors and Executive Officers, as well as specific remuneration packages for each Executive Director and Executive Officer, ensuring that a significant and appropriate proportion of the remuneration is structured so as to link rewards to corporate and individual performance. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments shall be covered, with the aim to be fair and avoid rewarding poor performance;
  - (ii) reviewing annually or as and when required the remuneration policies, level and mix of remuneration, the criteria and procedure for setting remuneration, and the relationships between remuneration, performance and value creation, and approve the remuneration, bonuses, pay increase and/or promotions of related employees (being employees that are related to the Directors, Executive Officers and/or Substantial Shareholders) to ensure that, amongst others, (i) their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities (ii) the remuneration of the Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities;
  - (iii) reviewing and approving any new employment of related employees (being employees that are related to the Directors, Executive Officers and/or Substantial Shareholders) and the proposed terms of their employment, and reviewing and recommending to the Board, for endorsement, the specific remuneration packages for each of the Directors and the Executive Officers;
  - (iv) proposing, for adoption by the Board, measurable, appropriate and meaningful performance targets for assessing the performance of the key management personnel, individual Directors and of the Board as a whole;

## CORPORATE GOVERNANCE REPORT

- (v) ensuring the remuneration policies and systems of the Group, as approved by the Board, support the Group's objectives and strategies, and are consistently being administered and being adhered to within the Group;
- (vi) considering all aspects of remuneration (including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments), including termination terms, to ensure they are fair and avoid rewarding poor performance and that the level and structure of remuneration are appropriate and proportionate to the sustained performance and value creation;
- (vii) reviewing the Group's obligations arising in the event of termination of service contracts entered into between the Group and the Directors or Executive Officers, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly generous;
- (viii) reviewing the terms of performance-related remuneration scheme or incentive schemes (if any) and determining the eligibility criteria of the employees who can participate in such scheme and to administer any share schemes which may be approved by the shareholders;
- (ix) if necessary, seeking expert advice within and/or outside the Group on remuneration matters, ensuring that existing relationships, if any, between the Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants; and
- (x) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules and by such amendments made thereto from time to time.

### Provision 6.2 – Remuneration Committee Composition

The RC comprises at least three (3) directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

The Board has established the RC, which comprises three (3) members, Mr. Christopher Huang, Mr. Ng Tse Meng and Mr. Foong Daw Ching. All the members of the RC, including the RC Chairman, are independent and non-executive.

The Chairman of the RC is Mr. Christopher Huang, the Lead Independent Non-Executive Director of the Company.

### Provision 6.3 – Reviewing of Remuneration Terms

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair. All recommendations made by the RC on remuneration of Directors and key management personnel will be submitted for endorsement by the Board. No member of the RC is involved in setting his or her remuneration package. As and when deemed appropriate by the RC, independent expert advice will be sought at the Company's expense. The RC shall ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

# CORPORATE GOVERNANCE REPORT

## Provision 6.4 – Remuneration Consultants

The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.

The RC will be provided with access to expert professional advice on remuneration matters when necessary, and the expenses of such services shall be borne by the Company.

There being no specific necessity, the RC did not seek the service of an external remuneration consultant to advise on remuneration matters in FY2025.

## **7. 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.**

The Board is of the view that 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.

Please refer to Provisions 7.1 to 7.3 below for more details and instances of the Company's compliance with such principle.

## Provision 7.1 – Remuneration of Executive Directors and Key Management Personnel

A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.

The annual reviews of the compensation are carried out by the RC to ensure that the remuneration of the Executive Director and key management personnel commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The performance of the CEO (together with other key management personnel) is reviewed periodically by the RC and the Board. In structuring the compensation framework, the RC also takes into consideration the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks. The RC recommends to the Board the quantum of directors' fees and the Board in turn endorses the recommendation for Shareholders' approval at each AGM.

For the Executive Director and key management personnel, each of their service agreements and/or compensation packages is reviewed by the RC. These service agreements cover the terms of employment and specifically, the salaries and bonuses of the Executive Director and key management personnel. The Company may terminate a service agreement if, *inter alia*, the relevant Executive Director or key management personnel is guilty of dishonest or serious or persistent misconduct, become bankrupt or otherwise act to the Company's prejudice. Executive Directors of the Company are not entitled to any Directors' fees.

The Company has entered into a service agreement (the "**Service Agreement**") with its Executive Director, namely, Mr. Flint Lu. The Service Agreement is valid for an initial period of three (3) years with effect from the Listing Date and thereafter continues automatically on a yearly basis on such terms and conditions as the parties may agree unless terminated in accordance with the Service Agreement. The Service Agreement provides for, *inter alia*, the remuneration payable, annual leave, grounds of termination and certain restrictive covenants (including non-compete obligations).

# CORPORATE GOVERNANCE REPORT

The Company advocates a performance-based remuneration system that is flexible and responsive to the market, and the performance of the Group's business units and individual employees. In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is transparent, competitive, relevant and appropriate in finding a balance between the current and longer-term objectives of the Company so as to be able to attract, retain and motivate talents without being excessive, and thereby maximise value for shareholders.

## Provision 7.2 – Remuneration of Non-Executive Directors

The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities. Non-Executive Directors (including Independent Directors) have no service agreements (except for the letter of appointment) with the Company. When reviewing the structure and level of the Directors' fee for the Non-Executive Directors, the RC takes into consideration the Directors' respective roles and responsibilities in the Board and its Board Committees and the frequency of Board and Board Committee meetings.

The Non-Executive Directors (including Independent Directors) are compensated with a fixed Directors' fee for serving as Director and any of the Board Committees roles. The remuneration packages of the Non-Executive Directors take into consideration the performance of the Group and individual assessment of each Non-Executive Director, the level of contribution to the Company and Board, taking into account various factors including but not limited to efforts and time spent, responsibilities and duties of the Non-Executive Directors.

Save for the Directors' fees, which have to be approved by the shareholders at every AGM, the Non-Executive Directors do not receive any remuneration from the Group.

The RC is mindful that the remuneration for Non-Executive Directors should not be excessive so as not to compromise or reasonably be perceived to compromise their independence. No director is involved in deciding his/her own remuneration.

## Provision 7.3 – Appropriateness of Remuneration

Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

The Directors' fees are proposed by the RC and it is appropriate and not excessive, taking into consideration the level of contributions to the Company and the Board, and factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and duties of the Non-Executive Directors. Directors' fees are recommended by the Board for approval by the shareholders at the AGM of the Company.

## **8. 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.***

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.

Please refer to Provisions 8.1 to 8.3 below for more details and instances of the Company's compliance with such principle.

## CORPORATE GOVERNANCE REPORT

### Provision 8.1 – Remuneration of Directors and Key Management Personnel

The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

- (a) each individual director and the CEO; and
- (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel

The compensation packages for employees including the Executive Director and the key management personnel comprised a fixed component (in the form of a basic salary) and a variable component (normally consists of cash-based annual bonus) and benefits-in-kind, where applicable, considering amongst other factors, the individual's performance, the performance of the Group and industry practices.

When determining the fixed and variable components, the individual performance is taken into consideration and remuneration recommendations are reviewed by the RC in the light of any annual guidance from the National Wages Council, competitive market practices and information gathered from market surveys. This is further reviewed along with the Group's performance, taking into consideration specific key performance indicators (involving financial and non-financial indicators) tracked over time as compared to the targets to be achieved by the Group based on its short-term and long-term objectives. The Board exercises its discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of shareholders and promote the long-term success of the Group. The overall level of remuneration is not considered to be at a level which is likely to promote behaviour contrary to the Group's risk profile.

Pursuant to the terms of the Service Agreement entered into between the Company and its Executive Chairman and CEO, Mr. Flint Lu. Mr. Flint Lu shall receive a monthly fixed basic salary (and exclusive of the employer's Central Provident Fund contributions, which shall be paid directly to the Central Provident Fund by the Company). Mr. Flint Lu is also entitled to an annual performance bonus in respect of each financial year based on the Group's net operating profit after tax, subject to the Company's approval (as proposed by the Board and as advised by the RC based on his personal performance as well as the performance of the Group in the preceding financial year).

For the Executive Officers and Executive Director, the Company adopts a performance-driven approach to compensation with rewards linked to individual, team and corporate performance. The Executive Officers and Executive Director participate in an annual performance review process that assesses the individual's performance against set performance targets. Performance against these targets is a key factor in determining their remuneration (in particular, the performance bonus component).

### Remuneration of Directors

The breakdown of the total remuneration of the Directors of the Company for FY2025 is set out below:

Director	Salary	Bonus	Others Benefits <sup>(1)</sup>	Director Fees <sup>(2)</sup>	Total Remuneration (\$S' 000)
Mr. Flint Lu	67.02%	31.04%	1.94%	-	895
Mr. Thang Teck Jong	-	-	-	100%	30
Mr. Christopher Huang	-	-	-	100%	40
Mr. Ng Tse Meng	-	-	-	100%	40
Mr. Foong Daw Ching	-	-	-	100%	40

### **Notes:**

(1) Other benefits refer to employer's contribution to the Central Provident Fund.

(2) The Directors' fees in respect of FY2025 were approved by shareholders at the FY2024 AGM held on 29 April 2025.

## CORPORATE GOVERNANCE REPORT

### Remuneration of key management personnel

The Group had three (3) key management personnels who are not a Director or the CEO during FY2025. The details of the remuneration (in percentage terms of the components of the remuneration) for FY2025 are set out below:

Key Management Personnel	Salary	Bonus	Others Benefits <sup>(1)</sup>	Total Remuneration
<b>Below S\$250,000</b>				
Ms. Sun Jingwan	80.90%	9.36%	9.74%	100%
Mr. Tan Kian <sup>(2)</sup>	71.68%	19.38%	8.94%	100%
Mr. Kok Pooi Wai <sup>(3)</sup>	100%	-	-	100%

#### Notes:

(1) Other benefits refer to employer's contribution to the Central Provident Fund.

(2) Mr. Tan Kian resigned as Chief Financial Officer with effect from 5 July 2025.

(3) Mr. Kok Pooi Wai joined as Chief Financial Officer on 2 September 2025.

The remuneration of the key management personnel has been disclosed in bands of S\$250,000. The Board is of the view that it would not be in the best interest of the Company to disclose the details of their remuneration, having regard to the highly competitive human resource environment, the confidential nature of staff remuneration matters and so as not to hamper the Company's efforts to retain and nurture its talent pool. The aggregate remuneration paid to the aforesaid key management personnel (who are not Directors or CEO of the Company) in FY2025 is amounted to S\$377,633.

The Board is of the view that the Company is transparent on its remuneration policies, which have been disclosed not only as part of compliance with Principle 8 but also in respect of Principle 7 of the Code. In particular, the Company has elaborated on the remuneration policy governing the remuneration of the Executive Director and the factors taken into account for the remuneration of the Independent Directors. The Company has also disclosed the remuneration paid to each Director and key management personnel using remuneration bands, as well as the breakdown of the components of their remuneration, for transparency. Accordingly, the Board is of the view that the non-disclosure of the exact quantum of the remuneration of the key management personnel will not be prejudicial to the interest of shareholders and complies with Principle 8 of the Code.

During FY2025, there was no termination, retirement or post-employment benefits granted to any Director or key management personnel.

Provision 8.2: The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report.

The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

Save for Mr. Flint Lu, the Executive Chairman and CEO and substantial shareholder of the Company, there was no employee who is a substantial shareholder of the Company or an immediate family member of any Director or substantial shareholder of the Company whose remuneration exceeded S\$100,000 during FY2025.

"Immediate family member" means the spouse, child, adopted child, stepchild, brother, sister and parent.

# CORPORATE GOVERNANCE REPORT

Provision 8.3: The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.

Save as disclosed in Provision 8.1 above, there are no other forms of remuneration and other payments and benefits, paid by the Group to Directors and/or key management personnel of the Company.

The Company has no share option plans. Accordingly, no share option has been granted to the Group to Directors and/or key management personnel of the Company.

## C. ACCOUNTABILITY AND AUDIT

### 9. Risk Management and Internal Controls

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

The Board is responsible for the 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.

In particular, the Board is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects, including interim and other price-sensitive public information and reports to regulators (if required). The Management provides the Board and the Board Committees on a timely basis, with sufficient relevant information on the Group's financial performance and commentary of the competitive conditions of the industry in which the Group operates, in order that it may effectively discharge its duties. The Company adopts a policy which welcomes Directors to request for further explanations, briefings or informal discussions on any aspect of the Group's operations or business from Management.

The Board acknowledges its responsibility for the preparation of the consolidated financial statements for FY2025, which give a true and fair view of the state of affairs of the Group in accordance with the statutory requirements and accounting standards and other financial disclosure requirements under the Catalist Rules. The financial results of the Group are announced in a timely manner in accordance with statutory and/or regulatory requirements.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

For further accountability, the announcements containing the half-year and full-year financial statements are signed by the Executive Chairman and CEO, Mr. Flint Lu for and on behalf of the Board, to confirm that to the best of the Board's knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results contained in the announcement to be false or misleading in any material aspects. The Board approves the financial statements after review and authorises the release of the results on the website of the SGX-ST. The Company also uploads latest announcement(s) which has been disseminated via the website of SGX-ST ([www.sgx.com](http://www.sgx.com)) on the Company's website ([www.goodwillsg.com](http://www.goodwillsg.com)).

Please refer to Provisions 9.1 to 9.2 below for more details and instances of the Company's compliance with this principle.

# CORPORATE GOVERNANCE REPORT

## Provision 9.1 Board determines the nature and extent of risks

The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate. The Board has not set up a specific Board Risk Committee, but the oversight of risk management and internal controls is undertaken by the AC and the Board in general.

The AC, on behalf of the Board, reviews the adequacy and effectiveness of the Group's system of internal controls, including financial, operational, compliance (including handling and dissemination of inside information) and information technology controls, and risk management policies and systems established by the Management on an annual basis.

## Provision 9.2 Assurance from the Board and Key Management Personnel

The Board requires and discloses in the company's annual report that it has received assurance from:

- (a) the CEO and the CFO (or equivalent) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and
- (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

For the financial year:

- (a) written assurance was received from the CEO, the COO and the CFO that the Group's 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) written assurance was received from the CEO, the COO and the CFO that the Group's risk management and internal controls systems in place were adequate and effective to address the financial, operational, compliance and information technology risks within the current scope of the Group's business operations.

## General

The Board's annual review of the internal controls and risk management system The AC, with the assistance of the internal and external auditors, annually reviews the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls.

During FY2025, the Company's internal auditor, Baker Tilly Consultancy (Singapore) Pte. Ltd., performed an internal control review of the Group's key business processes according to standards set out by the Institute of Internal Auditors on the system of internal controls and reported the findings to the AC. The Company's external auditor, Foo Kon Tan LLP, has also, in the course of the statutory audit for FY2025, gained or enhanced their understanding of the key internal accounting controls assessed to be relevant to the statutory audit. In this respect, the AC has reviewed the audit findings of both the internal and external auditor and noted that the Company is closely monitored to ensure timely and proper implementation of the internal auditors' recommendations. No material internal control weaknesses had been raised by the internal and external auditors in the course of their audits for FY2025 which have not been adequately addressed.

## CORPORATE GOVERNANCE REPORT

Based on the Group's framework of management controls in place, the internal control policies and procedures established and maintained by the Group, the reviews performed by the external auditors and internal auditors, as well as the assurance from the Management referred to in the preceding paragraphs, the Board, with the concurrence of the AC, is of the opinion that the risk management and internal control systems of the Group, addressing the financial, operational, compliance and information technology risks are adequate and effective as at 31 December 2025 to address the risks that the Group considers relevant and material to its operations.

The process of reviewing and strengthening the Group's control environment is an evolving process. Management will continue to devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

The design, implementation and operation of the accounting and internal control systems are intended to prevent and detect fraud and errors. The Board notes that the system of internal controls 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.

The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities. As such, the Company's risk management and internal controls systems are regularly evaluated and improved to ensure its relevance to the Company's operations.

### 10. Audit Committee

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

The Board has established the AC in compliance with Principle 10.

Please refer to Provisions 10.1 to 10.5 below for more details and instances of the Company's compliance with such principle.

#### Provision 10.1 Audit Committee Role

The duties of the AC include:

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;
- (b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;
- (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
- (d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and

## CORPORATE GOVERNANCE REPORT

- (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistleblowing policy and procedures for raising such concerns. The AC is guided by the written terms of references, which set out the duties and responsibilities of the AC, and are approved by the Board. The principal responsibilities of the AC include, inter alia, the following:
- (a) having oversight on the controls and safeguards to prevent a recurrence of the non-compliances with the regulatory requirements;
  - (b) having oversight and monitoring the compliance with the terms, conditions and covenants under the Group's respective banking facilities;
  - (c) having oversight of the Group's cash management policies and monitoring the compliance therewith;
  - (d) assisting the Board in the discharge of its responsibilities on financial and reporting matters;
  - (e) reviewing the relevance and consistency of accounting standards, the significant reporting issues, recommendations and judgements made by external auditors so as to ensure the integrity of the financial statements of the Group;
  - (f) reviewing, with the internal and external auditors, the audit plans, the scope of work, their evaluation of the Group's system of internal accounting controls, their management letter and the management's response, and results of the audits compiled by the internal and external auditors, and reviewing at regular intervals with the Management on the implementation by the Group of the internal control findings and recommendations made by the internal and external auditors;
  - (g) reviewing the periodic financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, significant financial reporting issues and judgements, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements, concerns and issues arising from their audits, including any matters which the auditors may wish to discuss in the absence of the management, where necessary, before submission to the Board for approval;
  - (h) reviewing the assurance from the Executive Chairman and CEO and the CFO on the financial records and financial statements of the Group;
  - (i) reviewing the adequacy, effectiveness and independence of the external audit and internal audit function of the Group;
  - (j) reviewing the risk management structure and oversight of the risk management process and activities;
  - (k) reviewing and reporting to the Board, at least annually, the effectiveness and adequacy of the internal control and procedures (addressing financial, operational, information technology, compliance risks) and risk management systems (such review to be carried out internally or with the assistance of any competent third parties) and discuss issues and concerns, if any, prior to the incorporation of the Directors' comments in annual report;

## CORPORATE GOVERNANCE REPORT

- (l) appraising and reporting to the Board on the audits undertaken by the external auditors and internal auditors and the adequacy of disclosure of information;
- (m) making recommendations to the Directors on establishing an adequate, effective and independent internal audit function (which can be in-house or outsourced to a reputable accounting/auditing firm or corporation), and ensure that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies;
- (n) recommending to the Board on the proposals to Shareholders on the appointment or re-appointment and removal of the external auditors, and the remuneration and terms of engagement of the external auditors;
- (o) considering the independence of the external auditor, taking into account the non-audit services provided by the external auditor and the fees paid for such non-audit services, if any;
- (p) considering the appointment or re-appointment of the internal auditors, the level of their remuneration and matters relating to resignation or dismissal of the internal auditors;
- (q) where applicable, ensuring that the internal audit function has unfettered access to all the Group's documents, records, properties and personnel, including the AC and has appropriate standing within the Group;
- (r) to monitor the use of proceeds under the section "Use of Proceeds and Listing Expenses" of the offer document issued by the Company;
- (s) given the Group's overseas expansion plans, reviewing and discussing with the internal and external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations (including overseas jurisdictions) which has or is likely to have a material impact on the Group's operating results or financial position and the management's response, and at appropriate times, reporting the matter to the Board and to the Sponsor;
- (t) reviewing the financial risk areas, with a view to providing an independent oversight of the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, if the findings are material, to be immediately announced via SGXNET;
- (u) reviewing the risk profile of the Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board;
- (v) reviewing policies and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, ensure that such policies and arrangements continue to be in place for independent investigation and appropriate follow-up, and ensure that the Group publicly discloses, and clearly communicates, to employees the existence of a whistle-blowing policy and the procedures for raising such concerns;
- (w) oversight and monitoring the whistle-blowing and ensure the Company has designated an independent function to investigate whistleblowing reports made in good faith and to ensure protection of the identity of the whistleblower and against detrimental or unfair treatment;

## CORPORATE GOVERNANCE REPORT

- (x) reviewing and establishing procedures for receipt, retention and treatment of complaints received by the Group, among others, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group, and ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;
- (y) reviewing and approving transactions falling within the scope of Chapter 9 of the Catalist Rules, including the review of any interested person transactions under the section "Interested Person Transactions and Conflicts of Interest";
- (z) reviewing any actual or potential conflicts of interest and set out a framework to resolve or mitigate any potential conflict of interest and monitor compliance with such framework and monitor the procedures established to regulate interested person transactions and conflicts of interests, including ensuring compliance with the Company's internal control system and the relevant provisions of the Catalist Rules and ensuring that proper measures to mitigate conflicts of interest have been put in place, in relation to interested person transactions and adopting new guidelines and review procedures for future interested person transactions as may be appropriate;
- (aa) reviewing and approving transactions falling within the scope of Chapter 10 of the Catalist Rules (if any) and to the extent required under Chapter 10 of the Catalist Rules, commissioning independent valuation(s) in connection with any relevant proposed acquisitions;
- (bb) reviewing and approving all hedging policies and instruments (if any) to be implemented by the Group and conduct periodic reviews of the hedging policies together with the transactions and hedging activities undertaken by the Group;
- (cc) reviewing the recommendations by Mr. Flint Lu (as the Company's representative on the executive committee (the "**Bugis+ Joint Venture Exco**")) on all matters relating to the live show outlet operating "HaveFun Live Show" located at Unit #07-01 of Bugis+ (the "**Bugis+ Joint Venture Outlet**"), including but not limited to, any review of the consultancy fees payable by Have Fun Bugis Pte. Ltd. to the Company and the joint venture partner, Hezong Pte. Ltd. by Have Fun Bugis Pte. Ltd., and that any decision by Mr. Flint Lu regarding to any matters relating to the Bugis+ Joint Venture Outlet shall be subject to the prior approval of the AC;
- (dd) reviewing on an annual basis the terms and conditions of the agreements and arrangements entered into with Funtech Solutions Pte. Ltd. ("**Funtech Solutions**");
- (ee) reviewing and approving any new or additional agreements or arrangements entered into with Funtech Solutions or any material changes to the terms of the agreements and arrangements with Funtech Solutions;
- (ff) proper monitoring of the measures and procedures adopted by the Group in relation to the agreements and arrangements entered into with Funtech Solutions to ensure the effective operations of the Group and the Group's compliance with applicable laws and regulations, including procedures to regulate interested person transactions to ensure that the such agreements and arrangements entered into with Funtech Solutions are on arm's length basis and not prejudicial to the interests of the Group or the minority Shareholders;
- (gg) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules and by such amendments made thereto from time to time; and
- (hh) undertaking such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising therefrom and which require the attention of the AC.

# CORPORATE GOVERNANCE REPORT

## Whistle-blowing Policy

The AC had established a whistle blowing policy and had formed a Whistle Blowing Committee which consists of three Independent Non-Executive Directors of the Company as a channel for persons employed by the Group to report in confidence any possible corporate improprieties in matters of financial reporting or non-compliance with regulations, policies and fraud, etc., without any prejudicial implications for these employees. The Whistle Blowing Committee and the AC is vested with the power and authority to receive, investigate and enforce appropriate action when any such non-compliance matter is brought to its attention. The Company ensures identity of whistleblower is kept confidential and is committed to ensure protection of the whistleblower against detrimental or unfair treatment. The Whistle Blowing Committee, who are also AC members, is responsible for the oversight and monitoring of whistleblowing.

As at the date of this report, there were no reports received through the whistle-blowing mechanism. In handling the whistle-blowing reports, the AC carefully considers the allegations raised, makes consultations with independent advisors, and carries out necessary investigations.

## Provision 10.2 Audit Committee Composition

The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience. The Board has established the AC, which comprises three (3) members, Mr. Foong Daw Ching, Mr. Ng Tse Meng and Mr. Christopher Huang. All the members of the AC, including the AC Chairman, are independent and non-executive. The Chairman of the AC is Mr. Foong Daw Ching.

The NC and the Board are of the view that the members of the AC and the AC chairman, have the requisite qualification, recent and relevant financial management knowledge, expertise and experience to discharge their responsibilities properly.

In this regard, in compliance with Provision 10.2 of the Code, at least two members, including the AC Chairman, have recent relevant accounting or related financial management expertise or experience. In particular, Mr. Foong Daw Ching, the AC Chairman, has more than 35 years of audit experience. Mr. Ng Tse Meng brings extensive financial management expertise, having held senior positions such as Managing Director at CA Indosuez (Switzerland) SA (Singapore Branch) and Pictet and Cie (Asia) Ltd., and currently serving as the chief executive officer and chairman of RF Acquisition Corp II and RF Acquisition Corp III, Nasdaq listed special purpose acquisition company, since February 2024 and September 2025, respectively. Mr. Christopher Huang possesses substantial financial and legal expertise, with experience as an associate at PricewaterhouseCoopers LLP and as Managing Director of CHP Law LLC, advising on legal and tax aspects of cross-border commercial transactions, including transfer pricing.

Provision 10.3 The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

None of the AC members including their respective immediate family members were previous partners or directors of the Company's external audit firm within the last two (2) years and none of the AC members hold any financial interest in the existing external audit firm engaged by the Company.

## CORPORATE GOVERNANCE REPORT

Provision 10.4 The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.

The primary role of internal audit is to assist the Board to evaluate the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Group, reviewing the internal controls of the Group to ensure prompt and accurate recording of transactions and proper safeguarding of assets and reviewing that the Group to comply with the relevant laws, regulations and policies established.

The internal audit function plans its internal audit schedule in consultation with, but independent of the Management. The AC examines the internal audit plan, determines the scope of audit examination and approves the internal audit budget. It also oversees the implementation of the improvements required on internal control weaknesses identified and ensures that Management provides the necessary co-operation to enable the internal auditors to perform its function. In addition, the internal auditors may be involved in ad-hoc projects initiated by the Management which require the assistance or/and assurance of the internal auditors in specific areas of concerns.

The Company has engaged Baker Tilly Consultancy (Singapore) Pte. Ltd. ("Baker Tilly") as the internal auditor who reports directly to the AC and administratively to the CFO. The AC has approved the engagement, evaluation, and compensation of Baker Tilly as the internal auditor of the Company. The role of Baker Tilly is to provide independent assurance to the AC that the Group maintains adequate and effective Risk Management and internal control systems.

For FY2025, the AC is satisfied that Baker Tilly has discharged its duties effectively as the internal auditor. Baker Tilly has unfettered access to all documents, records, properties and personnel, including access to the AC. Baker Tilly led by Mr. Lim Wei Wei who has more than 20 years of professional experience, has adequate resources to perform its functions effectively, is independent of the activities it audits, is staffed by suitably qualified and experienced professionals and has appropriate standing within the Group. In assessing the engagement of Baker Tilly for the internal audit function, the Board and the AC ensured that the internal audit function is sufficiently resourced, and internal audits are performed by competent professional staff with the relevant qualifications and experience.

The scope of the internal audit covers key aspects of the Group's internal controls established to address financial, operational, compliance and information technology risks. The internal auditor's activities are guided by Baker Tilly's global internal auditing methodology, which is in line with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. For FY2025, after having reviewed the internal audit reports and remedial actions implemented by the Management, the AC is satisfied that the internal audit function is independent, effective and adequately resourced.

The Management is responsible for ensuring that the risks identified are relevant to the business environment and that controls or mitigating factors are in place. The Board reviews and approves policies and procedures for managing the identified risks. The AC provides independent oversight to the effectiveness of the risk management process.

The AC meets regularly and also holds informal meetings and discussions with the external and internal auditors as well as the management from time to time. The AC has full discretion to invite any Director or executive officer to attend its meetings.

The AC has been given full access to and obtained the co-operation from the management of the Company. The AC has reasonable resources to enable it to discharge its functions properly. It receives periodic updates on changes in accounting standards from external auditors.

## CORPORATE GOVERNANCE REPORT

In compliance with Catalist Rule 1204(10), the Board, with the concurrence of the AC, is of the opinion that the Company has a robust and effective internal control system. The system of internal controls is sufficiently adequate and effective to address the information technology controls and risk management systems, as well as the financial, operational, compliance and information technology risks based on the internal controls established and maintained by the Group and reports from the internal auditors and external auditors.

Provision 10.5 The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually. The AC shall meet external auditors and internal auditors without the presence of the Management at least once a year so that any matter can be raised directly.

The AC met three (3) times in FY2025. The chief financial officer was among the attendees of the AC to discuss the Group's unaudited financial results. During this meeting, the AC had a private session with the external auditors to discuss, amongst other matters, the conduct of external audit for FY2025.

The Executive Director, Management and external auditors were also invited to be present at AC meetings, as and when required, held during FY2025 to, *inter alia*, answer or clarify any matter on accounting and auditing or internal controls.

The AC endeavours to meet at least once a year with the external auditor and internal auditors without the presence of management so that any concern and/or issue can be raised directly and privately.

The Board considers the regular annual meeting sufficient to monitor integrity of the issuer's financial statements, the annual report and accounts, and to review any significant financial reporting judgments contained in them.

AC's annual review of the independence/reappointment of the external auditor.

The AC has met with the external auditors without the presence of the management to review matters that might be raised privately. The AC also met with the external auditors to discuss the results of their examinations and their evaluations of the systems of internal accounting controls. During the year, the AC has reviewed the scope and quality of their audits and the independence and objectivity of the external auditors as well as the cost effectiveness. The AC is satisfied that the Company's auditors are still able to meet the audit requirements and statutory obligation of the Company.

The aggregate amount of fees paid/payable to the external auditor of the Company for FY2025 are as follow:

Fees Relating to External Auditors for FY2025	S\$'000
Audit fees	275

For FY2025, Foo Kon Tan LLP did not provide any non-audit services to the Group.

The AC receives updates on changes in accounting standards from external auditors. The AC shall continue to monitor the scope, cost effectiveness and result of the audit.

The AC and the Board are of the view that the Company's external auditors, Foo Kon Tan LLP is adequately resourced and registered with the Accounting and Corporate Regulatory Authority or registered with and/or regulated by an independent audit oversight body acceptable to the SGX-ST. The AC is satisfied that the Company is in compliance with Catalist Rules 712 and 715 in relation to the appointment of external auditor.

# CORPORATE GOVERNANCE REPORT

The Board has accepted the recommendation of the AC to table a resolution for shareholder approval for the re-appointment of Foo Kon Tan LLP as external auditors of the Company at the forthcoming AGM of the Company.

During FY2025, the AC was provided with information such as updates on the changes to the financial reporting standards by the external auditors in the course of their report to the AC.

## D. SHAREHOLDER RIGHTS AND ENGAGEMENT

### 11. Shareholder Rights

**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.***

The Company has complied with Principle 11.

Please refer to Provisions 11.1 to 11.6 below for more details and instances of the Company's compliance with such principle.

Provision 11.1 The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

The Board treats all shareholders fairly and equitably and facilitates the exercise of shareholders' rights.

The Board is accountable to the shareholders and recognises 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 allows all shareholders to exercise its voting rights by participation and voting at general meetings. Shareholders are informed about the voting procedures that govern general meetings of shareholders. The Company's Constitution allows a member of the Company to appoint one or two proxies to attend and vote at general meetings.

Shareholders have the opportunity to participate in and vote at the general meeting of shareholders. Notice of AGM is despatched to shareholders, together with explanatory notes or a circular (if necessary), at least fourteen (14) calendar days or twenty-one (21) calendar days (as the case may be) before the meeting. 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 the Company's Constitution from time to time. Where an amendment to its Constitution is required to align the relevant provisions with the requirements of the Catalist Rules, shareholders' approval will be obtained.

## CORPORATE GOVERNANCE REPORT

The forthcoming AGM of the Company will be held physically in person. Shareholders can attend the AGM, raise questions to the Directors and external auditor and vote in person or through an appointment of proxy. Nevertheless, shareholders may continue to submit questions in advance of the AGM. The Company will address substantial and relevant questions at or prior to the AGM and publish the minutes of AGM within one month from the AGM. Shareholders will have the option to appoint Chairman of the AGM as proxy at the forthcoming AGM of the Company.

### How Shareholders can convene an extraordinary general meeting ("EGM")

Under the Constitution, Directors may in general, whenever they think fit, convene EGMs. Pursuant to Section 176 of the Companies Act, the Board shall convene an EGM on requisition as follows:

- (a) The Directors of the Company shall, notwithstanding anything in the Constitution, on the requisition of members holding at the date of the deposit of the requisition not less than 10% of the total number of paid-up shares as at the date of the deposit carries the right of voting at general meetings immediately proceed to duly convene an EGM to be held as soon as practicable but in any case, not later than 2 months after the receipt by the Company of the requisition.
- (b) The requisition shall state the objects of the meeting and shall be signed by the requisitionists and deposited at the registered office of the Company and may consist of several documents in like form each signed by one or more requisitionists.
- (c) If the Directors do not within 21 days after the date of the deposit of the requisition proceed to convene a meeting, the requisitionists, or any of them representing more than 50% of the total voting rights of all of them, may themselves, in the same manner as nearly as possible as that in which meetings are to be convened by Directors convene a meeting, but any meeting so convened shall not be held after the expiration of 3 months from that date.
- (d) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors to convene a meeting shall be paid to the requisitionists by the Company, and any sum so paid shall be retained by the company out of any sums due or to become due from the Company by way of fees or other remuneration in respect of their services to such of the Directors as were in default.
- (e) A meeting at which a special resolution is to be proposed shall be deemed not to be duly convened by the Directors if they do not give such notice thereof as is required by the Companies Act in the case of special resolutions.

Provision 11.2 The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled," the company explains the reasons and material implications in the notice of meeting.

Resolutions submitted at the Shareholders' meetings are separate and not bundled or made inter-conditional on each other unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are bundled, the Company will explain the reasons and material implications. The tabling of separate resolutions gives Shareholders the right to express their views and exercise their voting rights on each resolution separately. Information is also provided on each resolution to enable Shareholders to exercise their vote on an informed basis.

## CORPORATE GOVERNANCE REPORT

Provision 11.3 All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.

As set out in Provision 11.1, the Board and the Management will also be present (with the auditors in attendance) at the AGM to address any relevant queries the Shareholders may have. Where necessary, the Company will also seek the external auditors' response to queries from shareholders in respect of matters pertaining to the audit in the event that such queries were received prior to the AGM.

Provision 11.4 The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

As set out in Provision 11.1, the Company's Constitution does not allow for absentia voting at general meetings of Shareholders as authentication of Shareholder's identity information and other related security issues remains a concern. However, the Constitution of the Company does allow a shareholder (who is not a relevant intermediary, as defined in Section 181(6) of the Companies Act) to vote either in person or appoint not more than two (2) proxies to attend and vote in his stead. Such proxy to be appointed need not be a Shareholder. Pursuant to the Companies (Amendment) Act 2014, a shareholder of the Company who is a relevant intermediary (as defined in Section 181(6) of the Companies Act), may appoint more than two (2) proxies to attend, speak and vote at the AGM.

Provision 11.5 The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The proceedings of the general meetings will be properly recorded, including all comments and/or queries from shareholders relating to the agenda of the meeting and responses from the Board, Management or external auditors to such comments and/or queries. All minutes of general meetings will be posted on the Company's website as soon as practicable. The Company also ensures that all material information relating to the Group is disclosed in an accurate and timely manner through publication on the SGX-ST. In addition, the minutes of the AGM in respect of FY2025 will be released on the company's website and on the SGX-ST'S website within one (1) month from the date of the AGM.

Provision 11.6 The Company has a dividend policy and communicates it to shareholders.

The Company does not have a specific dividend policy.

The Company will declare and/or recommend the payment of dividends to shareholders after considering the Company's ability to pay dividends, which will depend upon, among other things, its cash flow, general business conditions and strategies, current and future operations, statutory, contractual and regulatory restrictions and so on. The Board has complete discretion on whether to pay a dividend, subject to shareholders' approval, where applicable. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group. The Board may also consider declaring special dividends from time to time, in addition to the interim and/or final dividends.

The Board has not recommended any dividend for FY2025 as the Company as the Board has assessed the Group's financial performance, cash flow position, and strategic priorities, and determined that it is prudent to retain earnings to support ongoing business expansion and operational needs.

# CORPORATE GOVERNANCE REPORT

## 12. 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.***

Notwithstanding that the Company was newly listed on 15 November 2024, the Company is of the view that it has communicated regularly with its shareholders through timely disclosure of announcements via SGXNet and/or the Company's website. The Company will endeavour to facilitate the participation of shareholders during upcoming general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company, in accordance with Principle 12.

Please refer to Provisions 12.1 to 12.3 below for more details and instances of the Company's compliance with such principle.

Provision 12.1 The Company provides avenues for communication between the Board and all shareholders and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

The Company strives to disclose information on a timely basis to Shareholders and ensure any disclosure of price sensitive information is not made to a selective group. The information is communicated to the Shareholders via:

- (a) annual reports – the Board strives to include all relevant information about the Group, including future developments and disclosures required by the Companies Act, financial reporting standards and the Catalist Rules;
- (b) corporate communication made on the website of the SGX-ST and press releases on major developments of the Group. The foregoing disclosures and press releases of the Group are also available on the Company's website at [www.goodwillsg.com](http://www.goodwillsg.com).

A copy of the Annual Report containing the notice of AGM for FY2025 is made available on the Company's website ([www.goodwillsg.com](http://www.goodwillsg.com)) and published via the website of the SGX-ST.

Provision 12.2 The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

The Company has in place an Investor Relations Policy to ensure the dissemination of material information in a timely and useful manner to Shareholders, analysts, the media, and other investors and aims to raise awareness and understanding of the Company's business amongst the investing public.

In accordance with the policy of the Company, the Company ensures that, among others:

- (a) Circulars and notices in respect of AGMs and EGMs are released on the websites of the SGX-ST and on the Company's website.
- (b) Shareholders are encouraged to participate in general meetings in person or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings.
- (c) The chairperson of the Board and other Board members, chairperson of Board Committees or their delegates, the Company's senior management and external auditors shall attend the AGMs to answer Shareholders' questions (if any).

## CORPORATE GOVERNANCE REPORT

- (d) The Company engages its Shareholders and the investment community via Company reports and announcements, such as timely financial reporting, sustainability reporting and other announcements in accordance with the Catalist Rules.
- (e) Any information or documents of the Company posted on the websites of the SGX-ST ([www.sgx.com](http://www.sgx.com)) will also be published on the Company's website ([www.goodwillsg.com](http://www.goodwillsg.com)) under the "Investor Relations" section. Such information includes financial statements, results announcements, circulars and notices of general meetings, etc. In this regard, the Company wishes to inform that it also has a dedicated investor relations section within its corporate website, which allows the public to subscribe and receive alerts whenever an announcement is posted on the website.
- (f) The Company meets with investors, the media and analysts at appropriate times, where the Company also ensures strict adherence with the continuous disclosure obligations.

Provision 12.3 The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

The Company stays connected with its investors/Shareholders by soliciting feedback from and addressing the concerns of investors/Shareholders (including institutional and retail investors) via the Company's investor relations team, which is contactable at [events@goodwillsg.com](mailto:events@goodwillsg.com).

Alternatively, investors/Shareholders may also send their enquiries and concerns in writing to the Board or the Company Secretary by addressing them to the Company at the registered office in or by email through the Company's website. The Company addresses such enquiries and concerns as soon as practicable.

### E. MANAGING STAKEHOLDERS RELATIONSHIP

#### 13. Engagement with Stakeholders

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

The Board is of the view that it has adopted an inclusive approach by considering and balancing the needs and interests of material stakeholders, so as to ensure that the best interests of the Company are served.

Please refer to Provisions 13.1 to 13.3 below for more details and instances of the Company's compliance with such principle.

Provision 13.1 The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups

The Company takes a strategic and pragmatic approach in managing stakeholders' expectations to support its long-term strategy. As set out earlier, the Company is gradually placing emphasis on sustainability and sustainability risks and would implement appropriate policies and programmes when the opportunities arise. 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 economic, environmental, social and governance (EESG) issues.

Further details on the environmental, social and corporate governance policies will be disclosed in the Sustainability Report in respect of FY2025 which will be made available via SGXNET and published on the Company's website at [www.goodwillsg.com/](http://www.goodwillsg.com/)

## CORPORATE GOVERNANCE REPORT

Provision 13.2 The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

The Group recognises the importance of close collaboration with its key stakeholders such as employees, investors and media, suppliers and service providers, customers, and etc., in order to achieve sustainable business goals.

The Group identifies and engages with key stakeholders based on their influence and dependence on the Group's business operations, including suppliers, customers, employees, and regulators. The following table summarises the Group's stakeholder engagement efforts during FY2025:

Stakeholders	Engagement efforts
Employees	<p>The Group promotes an open culture of communication.</p> <p>Engagement with employees occurs through various methods, including regular discussions, feedback sessions, and performance reviews which address key areas such as career development, pay and benefits and other key employee needs.</p> <p>The Group acts on feedback by implementing improvements, offering training and development opportunities, and enhancing employee benefits to promote a supportive and productive workplace.</p>
Customers	<p>The Group engages with its customers through various methods, including feedback surveys, and social media channels, which address common topics of concern such as service quality, accessibility, and overall experience, in order to enhance service delivery, address feedback, and improve service accessibility.</p>
Investors	<p>The Group engages with investors through disclosures in the annual report and at the annual general meeting, as well as via periodic corporate announcements and press releases. Engagement is conducted annually and on an ad-hoc basis, and focuses on sustainable business performance, market valuation, and corporate governance. The Group provides timely, transparent updates, facilitates shareholder queries, and upholds its Code of Business Ethics to support informed, long-term investment decisions.</p>
Suppliers	<p>The Group collaborates closely with key suppliers and service providers to support its operations. Engagement with suppliers occurs through various methods, including regular discussions, contract reviews and performance assessment which focus on service quality and timely delivery. The Group works with its suppliers to ensure that all products and services meet quality standards, resolves any operational issues promptly, and ensures the reliable delivery of its services.</p>
Regulatory Authorities	<p>Engagement with regulatory authorities occurs through formal consultations, routine reporting, and regulatory assessments to ensure compliance with the applicable laws and regulations.</p>
Communities	<p>The Group engages the wider community through its sustainability report and community engagement programmes. These activities are undertaken annually and on an ongoing basis, and prioritise corporate social responsibility and seek to deliver a positive impact by participating in projects aligned with community needs.</p>

# CORPORATE GOVERNANCE REPORT

Pursuant to amendments to Practice Note 7F of the Catalist Rules effective from 1 January 2025, to provide sufficient time for preparation, a newly listed issuer (other than an issuer that has an obligation to prepare a sustainability report under local legislation prior to listing) may issue its first sustainability report only in respect of its first full financial year after listing. The first sustainability report of the Company, covering FY2025 will be published separately via SGXNET and published on the Company's website at [www.goodwillsg.com](http://www.goodwillsg.com).

Provision 13.3 The company maintains a current corporate website to communicate and engage with stakeholders.

The Company maintains its corporate website at [www.goodwillsg.com](http://www.goodwillsg.com) to communicate and engage with stakeholders.

## COMPLIANCE WITH APPLICABLE CATALIST RULES

### 711A and 711B Sustainability Reporting

Pursuant to Catalist Rule 711A read with paragraph 6.3 of Practice Note 7.6, the Company may issue its first sustainability report only in respect of its first full financial year after the listing.

The summary of first sustainability review of the Company, covering FY2025 is included as part of this annual report. The full sustainability report FY2025 will be published separately via SGXNET and published on the Company's website at [www.goodwillsg.com](http://www.goodwillsg.com).

### 712, 715 or 716 Appointment of auditors

Save for the appointment of a different auditor for the foreign-incorporated subsidiary, the Group has not appointed different auditors for its subsidiaries and significant associated companies during the financial year under review. As such, the Company confirms its compliance to the Catalist Rules 712 and 715, read with Catalist Rule 716.

As required by Catalist Rule 716, the AC and the Board have reviewed the appointment of a different auditor for its foreign-incorporated subsidiary and were satisfied that the appointment of a different auditor for its foreign-incorporated subsidiary would not compromise the standard and effectiveness of the audit of the Group.

### 1204(8) Material contracts

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirms that except as disclosed in the "Interested Person Transactions" section of this Report above, the "Directors' Statement" section of this annual report, the audited financial statements, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the CEO or any director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

### 1204(10) Confirmation of adequacy of internal controls

As set out earlier, based on the framework of risk management and internal controls established and maintained by the Management, reviews carried out by the AC, the report on the enterprise risk management of the Group, work performed by the internal auditors and the external auditors, and assurance from the Management, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management systems and system of internal controls (including financial, operational, compliance and information technology controls) were adequate and effective for FY2025.

## CORPORATE GOVERNANCE REPORT

### 1204(10C) AC's comment on Internal Audit Function

As set out earlier, the internal auditor, Baker Tilly, had performed an internal control review of the Group's key business processes during FY2025 according to standards set out by the Institute of Internal Auditors on the system of internal controls. The internal auditor reported the findings to the AC.

The size of the operations of the Group does not warrant the Group having an in-house internal audit function at this juncture and the Company will continue to work with the internal auditors to identify other scope of work which will help to further enhance the robustness of the Company.

As such, the AC is of the view that the internal audit function of the Company is independent, effective and adequately resourced for FY2025.

### 1204(17) Interested persons transaction ("IPT")

The Company has established procedures to ensure that all transactions with interested persons complies with Chapter 9 of the Catalist Rules and are reported on a timely manner to the AC and that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The Company does not have a general shareholders' mandate for interested person transactions pursuant to Catalist Rule 920.

There is no IPT of S\$100,000 and above during financial year under review.

### 1204(19) Dealing in securities

The Company has adopted policies in line with the requirements under Catalist Rule 1204(19) on dealings in the Company's securities. The policies have been made known to Directors, Executive Officers and any other persons as determined by the Management who may possess unpublished material price-sensitive information of the Group.

The Company prohibits its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company, its Directors and its officers are not allowed to deal in the Company's shares during the periods commencing one month before the release of the Company's half year and full year financial statements, as the case may be, and ending on the date of the announcement of the relevant financial results.

The Company, Directors and employees of the Company are also advised to observe insider trading laws at all times. Directors are required to report all dealings to the company secretary.

### 1204(21) Non-sponsor fees

With respect to Rule 1204(21) of the Catalist Rules, no non-sponsor fees were paid to the Continuing Sponsor, Evolve Capital Advisory Private Limited. ("**ECA**"), in FY2025.

### 1204(22) Use of proceeds

Pursuant to the initial public offering on 15 November 2024, the Company received net proceeds amounting to S\$8.5 million from the placement of new Shares.

## CORPORATE GOVERNANCE REPORT

As at the date of this report, the status on the use of the proceeds is as follows:

Use of proceeds	Amount allocated S\$'000	Amount Utilised S\$'000	Balance S\$'000
Expansion of our business regionally and globally	1,613	1,613 <sup>(1)</sup>	-
Broadening our existing business verticals	1,613	1,613 <sup>(2)</sup>	-
Acquisitions, joint ventures and/or strategic partnerships	1,290	1,290 <sup>(3)</sup>	-
Investment into entertainment technologies	645	-	645
General working capital requirements	1,290	1,290 <sup>(4)</sup>	-
Listing expenses pursuant to IPO	2,049	2,049	-
<b>Total</b>	<b>8,500</b>	<b>7,855</b>	<b>645</b>

- (1) The fund was utilised for regional expansion in Kuala Lumpur, Malaysia.
- (2) The fund utilised for broadening our existing business verticals in Singapore, including for (i) development of the new food manufacturing business and acquisition of its leased factory units and plant and equipment and (ii) the establishment of a new karaoke outlet at Seletar Mall and Sticks & Stone and Bloom & Boom at Bugis+ Mall.
- (3) The fund was utilised in the establishment of new outlets with strategic business partners in Singapore.
- (4) The proceeds allocated for general working capital were primarily utilised for payment to creditors and other business operation expenses at our outlets and corporate expenses.

The Company will make periodic announcements on the utilisation of the net proceeds from the initial public offering as and when the proceeds are materially disbursed and provide a status report on such use in its annual report and its half-yearly and full-year financial statements.

# FINANCIAL STATEMENTS

<b>63</b>	Directors' Statement
<b>67</b>	Independent Auditor's Report
<b>71</b>	Statements Of Financial Position
<b>72</b>	Consolidated Statement Of Profit Or Loss And Other Comprehensive Income
<b>73</b>	Consolidated Statement Of Changes In Equity
<b>75</b>	Consolidated Statement Of Cash Flows
<b>78</b>	Notes To The Financial Statements

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

We submit this annual report to the members together with the audited consolidated financial statements of Goodwill Entertainment Holding Limited (the "Company") and its subsidiaries (the "Group") and statement of financial position of the Company for the financial year ended 31 December 2025.

In our opinion,

- (a) the accompanying statements of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, 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 year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, as disclosed in Note 2(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

## **Names of directors**

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

Lu Mang (Executive Chairman and Chief Executive Officer)  
Thang Teck Jong (Vice Chairman and Non-Executive Director)  
Huang Junli, Christopher (Lead Independent Non-Executive Director)  
Foong Daw Ching (Independent Non-Executive Director)  
Ng Tse Meng (Huang Zeming) (Independent Non-Executive Director)

## **Arrangements to acquire shares or debentures**

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares or debentures of the Company or any other corporate body, other than as disclosed in this statement.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act 1967, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
	As at 1.1.2025	As at 31.12.2025 and 21.1.2026 #	As at 1.1.2025	As at 31.12.2025 and 21.1.2026 #
The Company - <u>Goodwill Entertainment Holding Limited</u>		<u>Number of ordinary shares</u>		
Lu Mang	113,538,957	<b>113,538,957</b>	142,699,924 *	<b>142,699,924 *</b>
Thang Teck Jong	-	-	75,099,724 &	<b>75,099,724 &amp;</b>

# There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2026.

\* Lu Mang is deemed to have an interest in the 142,699,924 shares held by Goodwill Investment Holdings 2023 Pte. Ltd. in the Company. Lu Mang holds 100% of the shareholding of Goodwill Investment Holdings 2023 Pte. Ltd.

# Thang Teck Jong is deemed to have an interest in the 75,099,724 shares held by Mengkim Holdings Pte. Ltd. in the Company. Thang Teck Jong holds 90% and the spouse of Thang Teck Jong holds 10% of the shareholdings of Mengkim Holdings Pte. Ltd.

By virtue of the provisions of Section 7 of the Companies Act 1967, Lu Mang is deemed to have an interest in the whole of the share capital of the wholly-owned subsidiaries of the Company, and in the shares held by the Company in the following subsidiaries that are not wholly-owned by the Company:

	As at 1.1.2025	As at 31.12.2025
	<u>Number of ordinary shares</u>	
7-24 Entertainment Pte. Ltd.	85,000	<b>85,000</b>
Aimo Entertainment Pte. Ltd.	-	<b>5,100</b>
HF Chinatown Pte. Ltd.	350,000	<b>350,000</b>
Have Fun Thomson Pte. Ltd.	1,021,429	<b>1,021,429</b>
Have Fun Bugis Pte. Ltd.	6,701	<b>6,701</b>

## Share options

No options were granted during the financial year to take up issued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

## DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### Audit and Risk Committee

The Audit and Risk Committee at the date of this statement comprises the following members who are all independent and non-executive directors:

Foong Daw Ching (Chairman)  
Ng Tse Meng (Huang Zeming)  
Huang Junli, Christopher

The Audit and Risk Committee performed the functions specified in Section 201B(5) of the Companies Act 1967 and the Singapore Code of Corporate Governance, including the following:

- (i) reviewing the audit plan and results of the external audit;
- (ii) reviewing the audit plan and results of the internal auditor's examination and evaluation of the Group's system of internal accounting controls;
- (iii) reviewing the Group's financial and operating results and accounting policies;
- (iv) reviewing the consolidated financial statements of the Group and the statement of financial position of the Company before their submission to the directors of the Company and the external auditor's report on those financial statements;
- (v) reviewing the half-yearly and annual announcements on the results of the Group and financial positions of the Group and the Company;
- (vi) ensuring the cooperation and assistance given by the management to the Group's internal and external auditors;
- (vii) making recommendation to the Board of Directors on the re-appointment of the Group's internal and external auditors; and
- (viii) reviewing the interested person transactions as required and defined in Chapter 9 of the Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") and ensuring that the transactions were on normal commercial terms and not prejudicial to the interests of the members of the Company.

The Audit and Risk Committee, having reviewed the external auditor's non-audit services (if any), confirmed that there were no non-audit services rendered that would affect the independence and objectivity of the external auditor.

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

The Audit and Risk Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the external auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

# **DIRECTORS' STATEMENT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

**Independent auditor**

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

---

Lu Mang

---

Thang Teck Jong

Dated: 10 April 2026

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GOODWILL ENTERTAINMENT HOLDING LIMITED

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Goodwill Entertainment Holding 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, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements 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 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.

### 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.

---

#### Key audit matter

#### Our responses and work performed

---

#### Revenue recognition (refer to Notes 2(d) and 20 to the financial statements)

Revenue recognition is a significant risk area, particularly in respect of the risks of management override and cut-off of revenue, to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services before revenue is recognised.

Under SSA 240 *The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements*, revenue recognition is a presumed fraud risk. Material misstatement due to fraudulent financial reporting relating to revenue recognition often results from an overstatement of revenues through, for example, premature revenue recognition, recording fictitious revenues, or improperly shifting revenues to a later period.

Our audit procedures included testing the Group's key internal controls over revenue. We assessed whether the revenue recognition policies adopted complied with SFRS(I) 15 *Revenue from Contracts with Customers* as detailed in Note 2(d) to the financial statements. We tested selected revenue transactions by assessing the revenue recognition procedures in accordance with SFRS(I) 15 and verifying to the relevant supporting source documents. We also performed revenue cut-off test to ascertain that sales were recorded in the correct accounting period. In addition, we considered the adequacy of disclosures in the financial statements.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GOODWILL ENTERTAINMENT HOLDING LIMITED

## Key Audit Matters (Cont'd)

Key audit matter	Our responses and work performed
<p><b>Testing of impairment of non-financial assets (the Group's plant and equipment and right-of-use assets and the Company's investments in subsidiaries) (refer to Notes 2(a), 2(d), 3, 4 and 6 to the financial statements)</b></p> <p>In view of the operating losses incurred by certain subsidiaries of the Group, management has assessed that there are indications of impairment in respect of the plant and equipment and right-of-use assets of the Group and the investments in subsidiaries of the Company. Accordingly, these assets are tested for impairment.</p> <p>The testing of impairment of the Group's plant and equipment and right-of-use assets and the Company's investments in subsidiaries is considered to be a significant risk area due to the judgemental nature of key assumptions and the significance of the carrying amounts of these assets in the statements of financial position of the Group and the Company.</p> <p>An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of value in use and fair value less costs of disposal.</p> <p>Value in use involves estimating the expected future cash flows from the assets or cash-generating units, a suitable growth rate to extrapolate the future cash flows, and an appropriate discount rate in order to calculate the present value of the future cash flows. Fair value less costs of disposal encompasses estimating the expected selling prices of the underlying assets by identifying the comparable assets and determining the current market selling/purchase prices of these assets, and the estimated cash outflows to settle the obligations in respect of the underlying liabilities. Input inaccuracies or inappropriate bases used to determine the level of impairment, including the comparable assets used in the fair value measurements, could result in material misstatement in the financial statements.</p>	<p>Our procedures in relation to management's testing of impairment and determination of the recoverable amount of the Group's plant and equipment and right-of-use assets and the Company's investments in subsidiaries included:</p> <ul style="list-style-type: none"> <li>• Reviewing management's assessment of indications of impairment in accordance with SFRS(I) 1-36 <i>Impairment of Assets</i>;</li> <li>• Considering the higher of value in use and fair value less costs of disposal;</li> <li>• Assessing the methodologies and appropriateness of the key assumptions used by management; and</li> <li>• Understanding and reviewing the assumptions in the input data from management through discussions, comparisons to industry peers and independent external data sources, and agree to supporting documentation and historical trends.</li> </ul> <p>We also considered the adequacy of disclosures in the financial statements.</p>

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GOODWILL ENTERTAINMENT HOLDING LIMITED

## 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.

## 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.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GOODWILL ENTERTAINMENT HOLDING LIMITED

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

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current 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 auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Cheong Wenjie.

Foo Kon Tan LLP  
Public Accountants and  
Chartered Accountants  
Singapore

10 April 2026

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	The Group 2025 S\$	2024 S\$	The Company 2025 S\$	2024 S\$
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Plant and equipment	3	20,434,270	16,071,459	73,147	77,692
Right-of-use assets	4	19,041,460	12,869,031	420,784	112,394
Intangible assets	5	1,231	2,874	1,231	2,874
Subsidiaries	6	-	-	10,656,877	10,141,777
Deferred tax assets	7	52,791	52,791	13,550	13,550
Long-term deposits	8	2,049,206	2,981,704	64,198	-
		<b>41,578,958</b>	<b>31,977,859</b>	<b>11,229,787</b>	<b>10,348,287</b>
<b>Current Assets</b>					
Trade and other receivables	8	4,005,085	1,281,624	17,328,532	12,697,410
Inventories	9	1,080,940	1,486,380	439,879	742,735
Prepayments	10	632,373	373,710	68,945	26,668
Cash and bank deposits	11	10,162,482	18,807,337	1,654,789	9,976,376
		<b>15,880,880</b>	<b>21,949,051</b>	<b>19,492,145</b>	<b>23,443,189</b>
<b>TOTAL ASSETS</b>		<b>57,459,838</b>	<b>53,926,910</b>	<b>30,721,932</b>	<b>33,791,476</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share capital	12	17,005,374	17,005,374	17,005,374	17,005,374
Treasury shares	13	(836,913)	-	(836,913)	-
Other reserves	14	673,083	632,900	(55,237)	(102,314)
Retained earnings		1,155,893	2,465,263	189,483	1,893,215
Equity attributable to owners of the Company		<b>17,997,437</b>	<b>20,103,537</b>	<b>16,302,707</b>	<b>18,796,275</b>
Non-controlling interests		<b>2,329,015</b>	<b>2,170,344</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>		<b>20,326,452</b>	<b>22,273,881</b>	<b>16,302,707</b>	<b>18,796,275</b>
<b>Non-current Liabilities</b>					
Deferred tax liabilities	7	697,326	372,950	-	-
Lease liabilities	15	13,438,413	7,188,463	294,066	65,247
Borrowings	16	2,422,973	5,707,232	1,441,521	4,096,601
Provision for restoration costs	17	610,993	885,662	-	-
Derivative financial instrument	18	55,237	102,314	55,237	102,314
		<b>17,224,942</b>	<b>14,256,621</b>	<b>1,790,824</b>	<b>4,264,162</b>
<b>Current Liabilities</b>					
Lease liabilities	15	6,905,391	6,668,907	156,587	49,275
Borrowings	16	3,491,495	3,219,132	2,863,029	2,421,331
Provision for restoration costs	17	669,618	198,602	-	-
Trade and other payables	19	7,904,698	6,313,420	9,587,251	8,227,470
Current tax payable		937,242	996,347	21,534	32,963
		<b>19,908,444</b>	<b>17,396,408</b>	<b>12,628,401</b>	<b>10,731,039</b>
<b>TOTAL LIABILITIES</b>		<b>37,133,386</b>	<b>31,653,029</b>	<b>14,419,225</b>	<b>14,995,201</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>57,459,838</b>	<b>53,926,910</b>	<b>30,721,932</b>	<b>33,791,476</b>

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

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 S\$	2024 S\$
Revenue	20	<b>50,789,547</b>	52,986,588
Other income	21	<b>1,026,288</b>	789,087
Change in inventories		<b>(405,440)</b>	1,055,653
Purchases and related costs		<b>(8,921,855)</b>	(11,113,953)
Depreciation of plant and equipment	3	<b>(4,147,215)</b>	(3,793,076)
Depreciation of right-of-use assets	4	<b>(7,452,297)</b>	(6,107,809)
Staff costs	22	<b>(16,753,306)</b>	(14,204,423)
Lease expenses	15	<b>(1,206,889)</b>	(1,827,339)
Other operating expenses	23	<b>(8,223,221)</b>	(9,416,802)
Finance costs	24	<b>(1,418,565)</b>	(1,417,777)
Profit before taxation		<b>3,287,047</b>	6,950,149
Taxation	25	<b>(1,192,798)</b>	(1,391,618)
<b>Profit for the year</b>		<b>2,094,249</b>	5,558,531
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Fair value gain/(loss) on derivative financial instrument	18	<b>47,077</b>	(102,314)
Foreign currency translation differences on consolidation		<b>(9,596)</b>	3,771
<b>Other comprehensive gain/(loss) for the year, net of tax of nil</b>		<b>37,481</b>	(98,543)
<b>Total comprehensive income for the year</b>		<b>2,131,730</b>	5,459,988
<b>Profit attributable to:</b>			
Owners of the Company		<b>1,690,630</b>	4,409,817
Non-controlling interests		<b>403,619</b>	1,148,714
		<b>2,094,249</b>	5,558,531
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>1,730,813</b>	4,311,274
Non-controlling interests		<b>400,917</b>	1,148,714
		<b>2,131,730</b>	5,459,988
<b>Earnings per share attributable to owners of the Company (Singapore cent)</b>			
- Basic and diluted	26	<b>0.42</b>	1.22

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Share capital S\$	Capital reserve S\$	Foreign currency translation reserve S\$	Hedging reserve S\$	Retained earnings S\$	Equity attributable to owners of the Company S\$	Non-controlling interests S\$	Total equity S\$
<b>Balance at 1 January 2024</b>	8,895,953	760,314	7	-	(1,944,554)	7,711,720	442,752	8,154,472
Profit for the year	-	-	-	-	4,409,817	4,409,817	1,148,714	5,558,531
Other comprehensive income/(loss) for the year	-	-	3,771	(102,314)	-	(98,543)	-	(98,543)
<b>Total comprehensive income/(loss) for the year</b>	-	-	3,771	(102,314)	4,409,817	4,311,274	1,148,714	5,459,988
<b>Contributions by and distributions to owners</b>								
Issuance of ordinary shares (Note 12)	8,650,000	-	-	-	-	8,650,000	-	8,650,000
Share issuance costs (Note 12)	(540,579)	-	-	-	-	(540,579)	-	(540,579)
	8,109,421	-	-	-	-	8,109,421	-	8,109,421
<b>Changes in ownership interests in subsidiaries</b>								
Acquisition of non-controlling interests without change in control (Note 6(i))	-	(28,878)	-	-	-	(28,878)	(176,122)	(205,000)
Capital contributions by non-controlling interest in a subsidiary (Note 6(iv))	-	-	-	-	-	-	1,800,000	1,800,000
Dividend by a subsidiary to a non-controlling interest (Note 6(viii))	-	-	-	-	-	-	(1,050,000)	(1,050,000)
Incorporation of subsidiaries with non-controlling interests (Note 6(iii))	-	-	-	-	-	-	5,000	5,000
	-	(28,878)	-	-	-	(28,878)	578,878	550,000
<b>Transactions with owners in their capacity as owners</b>	8,109,421	(28,878)	-	-	-	8,080,543	578,878	8,659,421
<b>Balance at 31 December 2024</b>	17,005,374	731,436	3,778	(102,314)	2,465,263	20,103,537	2,170,344	22,273,881

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Hedging reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 January 2025</b>	17,005,374	-	731,436	3,778	(102,314)	2,465,263	20,103,537	2,170,344	22,273,881
Profit for the year	-	-	-	-	-	1,690,630	1,690,630	403,619	2,094,249
Other comprehensive (loss)/income for the year	-	-	-	(6,894)	47,077	-	40,183	(2,702)	37,481
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	(6,894)	47,077	1,690,630	1,730,813	400,917	2,131,730
<b>Contributions by and distributions to owners</b>									
Dividends (Note 33)	-	-	-	-	-	(3,000,000)	(3,000,000)	-	(3,000,000)
Purchase of treasury shares (Note 13)	-	(836,913)	-	-	-	-	(836,913)	-	(836,913)
	-	(836,913)	-	-	-	(3,000,000)	(3,836,913)	-	(3,836,913)
<b>Changes in ownership interests in subsidiaries</b>									
Dividend by a subsidiary to a non-controlling interest (Note 6(viii))	-	-	-	-	-	-	-	(819,000)	(819,000)
Incorporation of subsidiaries with non-controlling interests (Note 6(ii))	-	-	-	-	-	-	-	96,754	96,754
Issuance of preference shares (Note 6(vii))	-	-	-	-	-	-	-	480,000	480,000
<b>Transactions with owners in their capacity as owners</b>									
	-	(836,913)	-	-	-	(3,000,000)	(3,836,913)	(242,246)	(4,079,159)
<b>Balance at 31 December 2025</b>	17,005,374	(836,913)	731,436	(3,116)	(55,237)	1,155,893	17,997,437	2,329,015	20,326,452

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 S\$	2024 S\$
<b>Cash flows from operating activities</b>			
Profit before taxation		3,287,047	6,950,149
Adjustments for:			
Amortisation of intangible assets	5	1,643	1,643
Bad debts	23	847	19,669
Depreciation of plant and equipment	3	4,147,215	3,793,076
Depreciation of right-of-use assets	4	7,452,297	6,107,809
Gain on lease termination	21	(2,874)	-
Impairment losses on right-of-use assets	23	70,217	-
Interest expense	24	1,418,565	1,417,777
Inventories written off	23	3,342	-
Plant and equipment written off	23	12,040	-
<b>Operating profit before working capital changes</b>		<b>16,390,339</b>	18,290,123
Changes in inventories		402,098	(1,055,653)
Changes in trade and other receivables		(1,625,198)	425,094
Changes in prepayments		(163,710)	88,017
Changes in trade and other payables		(516,692)	3,015,756
Changes in provision for restoration costs		-	139,685
<b>Cash generated from operations</b>		<b>14,486,837</b>	20,903,022
Income taxes paid		(927,527)	(380,674)
<b>Net cash generated from operating activities</b>		<b>13,559,310</b>	20,522,348
<b>Cash Flows from Investing Activities</b>			
Advances to a non-controlling interest		(246,000)	-
Advances repaid from related companies		-	168,958
Asset-related government grants	3	27,735	-
Purchase of plant and equipment and right-of-use assets	A	(8,378,069)	(6,729,588)
<b>Net cash used in investing activities</b>		<b>(8,596,334)</b>	(6,560,630)
<b>Cash Flows from Financing Activities</b>			
Acquisition of non-controlling interests in subsidiaries without change in control	6(i)	-	(205,000)
Advances from non-controlling interests		1,870,995	22,541
Advances from/(repaid to) related parties		62	(1,850,910)
Bank deposit pledged		-	(450,000)
Capital contributions by non-controlling interests in subsidiaries	6(iv)	-	900,000
Dividends paid to owners of the Company	33	(3,000,000)	-
Dividends paid to non-controlling interests		(1,029,000)	(1,070,000)
Incorporation of subsidiaries with non-controlling interests	6(ii)	96,754	5,000
Interest paid		(1,366,850)	(1,372,587)
Payment of lease liabilities		(6,813,432)	(6,154,953)
Proceeds from borrowings		-	7,384,000
Proceeds from issuance of ordinary shares		-	8,500,000
Proceeds from issuance of preference shares	6(vii)	480,000	-
Purchase of treasury shares	13	(836,913)	-
Repayment of borrowings		(3,011,896)	(3,615,279)
Share issuance cost		-	(540,579)
<b>Net cash (used in)/generated from financing activities</b>		<b>(13,610,280)</b>	1,552,233
Net (decrease)/increase in cash and cash equivalents		(8,647,304)	15,513,951
Exchange differences on translation of cash and cash equivalents		2,449	363
Cash and cash equivalents at beginning of year		18,357,337	2,843,023
<b>Cash and cash equivalents at end of year</b>	11	<b>9,712,482</b>	18,357,337

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Lease liabilities (Note 15)	Bank loans (Note 16)	Loans from shareholders (Note 16)	Loan from a third party (Note 16)	Non-trade amount due to a director (Note 19)	Non-trade amounts due to non-controlling interests (Note 19)	Non-trade amounts due to related companies (Note 19)	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>Balance at 1 January 2024</b>	18,048,734	3,150,565	1,980,000	27,078	146,419	297,581	1,752,445	25,402,822
<b>Changes from financing cash flows</b>								
- Advances from non-controlling interests	-	-	-	-	-	22,541	-	22,541
- Advances repaid to related parties	-	-	-	-	(98,465)	-	(1,752,445)	(1,850,910)
- Interest paid	(855,534)	(507,148)	(9,483)	(422)	-	-	-	(1,372,587)
- Payment of lease liabilities	(6,154,953)	-	-	-	-	-	-	(6,154,953)
- Proceeds from borrowings	-	7,384,000	-	-	-	-	-	7,384,000
- Repayment of borrowings	-	(1,608,201)	(1,980,000)	(27,078)	-	-	-	(3,615,279)
<b>Total changes from financing cash flows</b>	(7,010,487)	5,268,651	(1,989,483)	(27,500)	(98,465)	22,541	(1,752,445)	(5,587,188)
<b>Other changes</b>								
- Interest expense	855,534	507,148	9,483	422	-	-	-	1,372,587
- New leases	1,963,589	-	-	-	-	-	-	1,963,589
<b>Total liability-related other changes</b>	2,819,123	507,148	9,483	422	-	-	-	3,336,176
<b>Balance at 31 December 2024</b>	13,857,370	8,926,364	-	-	47,954	320,122	-	23,151,810

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

**Note B (cont'd)**

**Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)**

	Lease liabilities (Note 15) S\$	Bank loans (Note 16) S\$	Non-trade amount due to a director (Note 19) S\$	Non-trade amounts due to non-controlling interests (Note 19) S\$	Total S\$
<b>Balance at 1 January 2025</b>	13,857,370	8,926,364	47,954	320,122	23,151,810
<b>Changes from financing cash flows</b>					
- Advances from non-controlling interests	-	-	-	1,870,995	1,870,995
- Advances from related parties	-	-	62	-	62
- Interest paid	(849,466)	(517,384)	-	-	(1,366,850)
- Payment of lease liabilities	(6,813,432)	-	-	-	(6,813,432)
- Repayment of borrowings	-	(3,011,896)	-	-	(3,011,896)
<b>Total changes from financing cash flows</b>	<b>(7,662,898)</b>	<b>(3,529,280)</b>	<b>62</b>	<b>1,870,995</b>	<b>(9,321,121)</b>
<b>Other changes</b>					
- Interest expense	849,466	517,384	-	-	1,366,850
- Lease modification	2,640,303	-	-	-	2,640,303
- Lease termination	(77,804)	-	-	-	(77,804)
- New leases	10,737,367	-	-	-	10,737,367
<b>Total liability-related other changes</b>	<b>14,149,332</b>	<b>517,384</b>	<b>-</b>	<b>-</b>	<b>14,666,716</b>
<b>Balance at 31 December 2025</b>	<b>20,343,804</b>	<b>5,914,468</b>	<b>48,016</b>	<b>2,191,117</b>	<b>28,497,405</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 1 General information

The financial statements of Goodwill Entertainment Holding Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is incorporated as limited liability company and domiciled in the Republic of Singapore. The Company is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company are located at 10 Kallang Avenue, #13-13 Aperia, Singapore 339510.

The principal activities of the Company are those of investment holding and wholesale of liquor and beverages. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

The majority and controlling shareholders of the Company are Goodwill Investment Holdings 2023 Pte. Ltd. and Lu Mang.

## 2(a) Basis of preparation

The financial statements are drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The financial statements have been prepared under the historical cost convention except as otherwise described in the notes below.

The financial statements are presented in Singapore dollar ("S\$") which is the Company's functional currency. All financial information is presented in Singapore dollar, unless otherwise stated.

### **Significant accounting estimates and judgements**

The preparation of the financial statements in conformity with SFRS(I)s requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

### **Significant judgements in applying accounting policies**

#### Going concern

As at 31 December 2025, the Group had net current liabilities of S\$4,027,564 (2024: net current assets of S\$4,552,643). Notwithstanding this, the directors are of the view that the going concern assumption is appropriate for the preparation of the financial statements, due to the following:

- (i) The Group generated net profit and net operating cash inflows of S\$2,094,249 (2024: S\$5,558,531) and S\$13,559,310 (2024: S\$20,522,348), respectively, for the financial year ended 31 December 2025. Having regard to measures to tighten controls over expenses and to better manage the Group's working capital, the directors believe that the Group is able to adequately manage its cash flows and continue to operate as a going concern.
- (ii) As at 31 December 2025, the Group had net assets of S\$20,326,452 (2024: S\$22,273,881), while the Company had net current assets and net assets of S\$6,863,744 (2024: S\$12,712,150) and S\$16,302,707 (2024: S\$18,796,275), respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2(a) Basis of preparation (cont'd)

### **Significant judgements in applying accounting policies (cont'd)**

#### Going concern (cont'd)

In assessing whether the Group can meet its debt obligations for at least 12 months from the end of the reporting period, management has prepared cash flow forecast for the financial year ending 31 December 2026. Based on the forecast and having regard to the above, the directors believe that the Group and the Company have sufficient working capital and financial resources to enable them to meet their liabilities as and when they fall due and continue as going concern for 12 months from the end of the reporting period. Accordingly, the directors are of the view that the going concern assumption is appropriate for the preparation of the financial statements, and there is no material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of reported asset amounts or the amounts and classification of liabilities that would be required if the going concern basis is found to be inappropriate.

#### Income taxes

The Group has exposure to income taxes in various jurisdictions. Significant judgement and estimates are involved in determining group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will affect the current tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's deferred tax assets and deferred tax liabilities at the end of the reporting period and the Group's income taxes for the year are disclosed in Note 7 and Note 25, respectively, to the financial statements.

### **Significant accounting estimates and assumptions used in applying accounting policies**

#### Depreciation of plant and equipment and right-of-use assets

The costs of plant and equipment and right-of-use assets are depreciated on a straight-line basis over the estimated economic useful lives of the assets or based on the shorter period of lease term and useful life of the right-of-use asset. The Group's business is capital intensive and the annual depreciation of plant and equipment and right-of-use assets form a significant component of total costs charged to profit or loss. Management estimates the useful lives of plant and equipment and right-of-use assets to be 2 to 10 years and 2 to 10 years, respectively. The carrying amounts of the Group's and the Company's plant and equipment and right-of-use assets at the end of the reporting period are disclosed in Note 3 and Note 4, respectively, to the financial statements. The estimation of useful lives is based on assumptions about wear and tear, ageing, changes in demand and the Group's historical experience with similar assets. The Group performs annual reviews on whether the assumptions made on useful lives continue to be valid. As changes in the expected level of usage, maintenance programmes and technological developments could affect the economic useful lives and the residual values of these assets, future depreciation charges could be revised. If depreciation on the Group's plant and equipment and right-of-use assets increases/decreases by 10% from management's estimates, the Group's profit for the year will decrease/increase by S\$414,722 (2024: S\$379,308) and S\$745,230 (2024: S\$610,781), respectively.

#### Impairment of plant and equipment and right-of-use assets

Plant and equipment and right-of-use assets are assessed at the end of each reporting period whether there is any indication of impairment. If any such indication exists, the recoverable amounts of the assets or cash-generating units are estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and value in use. Such impairment loss is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2(a) Basis of preparation (cont'd)

### Significant accounting estimates and assumptions used in applying accounting policies (cont'd)

#### Impairment of plant and equipment and right-of-use assets (cont'd)

Significant judgement and estimates by management are required in the area of asset impairment, particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying amount of an asset can be supported by its market value based on comparable assets or the net present value of future cash flows which are estimated based on the continued use of the asset in the business; and (iii) the appropriate valuation techniques and inputs used in fair value measurement and the key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are extrapolated using a suitable growth rate and then discounted using an appropriate discount rate. Changing the assumptions selected by management to determine the level of impairment could materially affect the recoverable amount determined in the impairment test and as a result may potentially affect the Group's results. The carrying amounts of the Group's and the Company's plant and equipment and right-of-use assets and the basis used to determine the recoverable amounts are disclosed in Note 3 and Note 4, respectively, to the financial statements.

#### Impairment of investments in subsidiaries

The Company assesses at the end of each reporting period whether there is any indication that an investment in subsidiary is impaired or that an impairment loss recognised in prior periods no longer exists or has decreased. If any indication exists, the investment in subsidiary is tested for impairment. The determination of the recoverable amount requires an estimation of the fair value less costs of disposal of the underlying assets or the value in use of the cash-generating units. Estimating the fair value less costs of disposal requires the Company to make an estimate of the expected selling prices or realisable amounts of the underlying assets and the estimated cash outflows to settle the obligations in respect of the underlying liabilities. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash-generating units, a suitable growth rate to extrapolate the future cash flows, and an appropriate discount rate in order to calculate the present value of the future cash flows. The carrying amount of the Company's investments in subsidiaries at the end of the reporting period and the basis used to determine value in use as the recoverable amount are disclosed in Note 6 to the financial statements.

#### Allowance for inventory obsolescence

The Group reviews the ageing analysis of inventories at the end of each reporting period and applies judgement and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The net realisable values for such inventories are estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of the Group's and the Company's inventories at the end of the reporting period is disclosed in Note 9 to the financial statements.

#### Allowance for expected credit losses of trade and other receivables

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar risk characteristics. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust historical credit loss experience with forward-looking information. At the end of each reporting period, historical default rates are updated and changes in the forward-looking estimates are analysed.

The Group applies the 3-stage general approach to determine ECLs for other receivables. ECL is measured as an allowance equal to 12-month ECL for stage-1 assets, or lifetime ECL for stage-2 or stage-3 assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group considers qualitative and quantitative reasonable and supportable forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within 12 months after the reporting date.

The assessment of the correlation between historical observed default rates, forecast of economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information relating to ECLs on the Group's trade and other receivables is disclosed in Note 30.1. If the loss rates increase/decrease by 10% from management's estimates, the Group's allowance for impairment losses on trade receivables will increase/decrease by S\$72,878 (2024: S\$61,106).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2(a) Basis of preparation (cont'd)

### Significant accounting estimates and assumptions used in applying accounting policies (cont'd)

#### Estimation of incremental borrowing rate

For the purpose of calculating right-of-use asset and lease liability, the Group applies the interest rate implicit in the lease ("IRIL") and, if the IRIL is not readily determinable, the Group uses its incremental borrowing rate ("IBR") applicable to the lease asset. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Group is the lessee, the IRIL is not readily determinable. Therefore, the Group estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as a group entity's credit rating). The carrying amounts of the Group's right-of-use assets and lease liabilities are disclosed in Note 4 and Note 15, respectively, to the financial statements. An increase/decrease of 50 basis points in the estimated IBR will decrease/increase the Group's right-of-use assets and lease liabilities by S\$95,207 (2024: S\$64,345) and S\$101,719 (2024: S\$69,287), respectively.

## 2(b) Adoption of new or amended SFRS(I)s effective in 2025

On 1 January 2025, the Group adopted the following new or amended SFRS(I)s that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s.

Reference	Description
Amendments to SFRS(I) 1-21	Lack of Exchangeability

The adoption of these new or amended SFRS(I)s did not result in substantial changes to the Group's accounting policies or have any significant impact on these financial statements.

## 2(c) New or amended SFRS(I)s not yet adopted

The following are the new or amended SFRS(I)s issued that are not yet effective but may be early adopted for the current financial year. However, the Group has not early adopted the new or amended SFRS(I)s in preparing these financial statements:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Yet to be determined
SFRS(I) 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to SFRS(I) 9 and SFRS(I) 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
SFRS(I) 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to SFRS(I) 9 and SFRS(I) 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to SFRS(I) 1-21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Annual Improvements to SFRS(I)s – Volume 11		
- Amendments to SFRS(I) 1	Hedge Accounting by a First-Time Adopter	1 January 2026
- Amendments to SFRS(I) 7	Gain or Loss on Derecognition	1 January 2026
- Amendments to SFRS(I) 7	Disclosure of Deferred Difference between Fair Value and Transaction Price	1 January 2026
- Amendments to SFRS(I) 7	Introduction and Credit Risk Disclosures	1 January 2026
- Amendments to SFRS(I) 9	Derecognition of Lease Liabilities	1 January 2026
- Amendments to SFRS(I) 9	Transaction Price	1 January 2026
- Amendments to SFRS(I) 10	Determination of a 'De Facto Agent'	1 January 2026
- Amendments to SFRS(I) 1-7	Cost Method	1 January 2026

Management does not anticipate that the adoption of the above new or amended SFRS(I)s in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2(c) New or amended SFRS(I)s not yet adopted (cont'd)

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

SFRS(I) 18 which replaces SFRS(I) 1-1 *Presentation of Financial Statements*:

- introduces new categories and subtotals in the statement of profit or loss;
- requires disclosure of management-defined performance measures; and
- includes new requirements for the location, aggregation and disaggregation of financial information.

An entity will be required to:

- classify all income and expenses within its statement of profit or loss into five categories: operating, investing, financing, income taxes, and discontinued operations; and
- present subtotals for 'operating profit or loss' and 'profit or loss before financing and income taxes'.

An entity will need to assess whether it has a 'main business activity' of investing in assets or providing financing to customers, as specific classification requirements will apply to such entities. Determining whether an entity has such a specified main business activity depends on the facts and circumstances and may require significant judgement. An entity may have more than one main business activity.

SFRS(I) 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity. Furthermore, SFRS(I) 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by SFRS(I) 18 or another standard.

SFRS(I) 18 differentiates between 'presenting' information in the primary financial statements and 'disclosing' it in the notes, and introduces a principle for determining the location of information based on identified 'roles' of the primary financial statements and the notes. SFRS(I) 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics. Guidance is also provided for determining meaningful descriptions, or labels, for items that are aggregated in the financial statements.

SFRS(I) 18 and consequential amendments to other standards are effective for reporting periods beginning on or after 1 January 2027 and will apply retrospectively. Early adoption is permitted and must be disclosed.

## 2(d) Material accounting policy information

### Consolidation

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

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive losses are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2(d) Material accounting policy information (cont'd)

### Consolidation (cont'd)

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

- (i) power over the investee;
- (ii) exposure, or rights or variable returns from its involvement with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

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

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable SFRS(I)s).

### Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation of plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives, as follows:

Renovations	3 to 6 years
Furniture and equipment	2 to 10 years
Computers	5 years
Motor vehicle	10 years

No depreciation is provided for construction-in-progress.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

For acquisitions and disposals during the period, depreciation is recognised in profit or loss from the month that the plant and equipment are installed and are available for use, and to the month of disposal, respectively. Fully depreciated plant and equipment are retained in the accounts until they are no longer in use.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2(d) Material accounting policy information (cont'd)

### Plant and equipment (cont'd)

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting period as a change in estimates.

### Intangible assets

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

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss under other operating expenses. Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in profit or loss when the asset is derecognised.

### Computer software

The costs relating to software acquired, which are not an integral part of the related hardware, are capitalised and amortised on a straight-line basis over their estimated useful lives of ten (10) years.

### Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of the Group's previously held equity interest (if any) in the entity, over the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a gain on a bargain purchase.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2(d) Material accounting policy information (cont'd)

### Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

### Financial assets

#### Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes party to the contractual provisions of the financial instruments. Financial assets are classified at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at FVTPL, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition. Refer to the accounting policy on "Revenue from contracts with customers".

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The Group does not hold any financial assets at FVOCI or financial assets at FVTPL.

#### *Financial assets at amortised cost (debt instruments)*

Subsequent measurement of debt instruments depends on the Group's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

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

The Group's financial assets at amortised cost comprise trade and other receivables (excluding net input taxes) and cash and bank deposits.

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2(d) Material accounting policy information (cont'd)

### Financial assets (cont'd)

#### Derecognition

A financial asset is derecognised when the contractual rights to receive cash flows from the asset expire. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

#### Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ("ECLs") associated with its debt instrument financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade receivables, the Group measures the loss allowance at an amount equal to lifetime ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other receivables, loss allowance is measured at an amount equal to 12-month ECLs. The 12-month ECLs are estimated by reference to the track record of the counterparties and their businesses and financial conditions.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

At the end of each reporting period, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2(d) Material accounting policy information (cont'd)

### Financial liabilities

#### Initial recognition and measurement

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

Financial liabilities are recognised initially at fair value minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

The Group's financial liabilities comprise lease liabilities, borrowings and trade and other payables (excluding advances from customers and net output taxes).

#### Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVTPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

#### Borrowings

Borrowings which are due to be settled more than 12 months after the reporting period are included in current borrowings in the statements of financial position if the loan facility agreements include an overriding repayment on demand clause which gives the lender the right to demand repayment at any time at its sole discretion and irrespective of whether a default event has occurred, or when the Group has defaulted or breached a provision of a long-term loan agreement on or before the end of the reporting period with the effect that the borrowings become payable on demand, even if the lender agreed after the reporting period and before the authorisation of the financial statements for issue not to demand payment as a consequent of the breach. These borrowings are classified as current because, at the end of the reporting period, the Group does not have an unconditional right to defer its settlement for at least 12 months after that date.

However, those borrowings with breaches or defaults of loan agreement terms are classified as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the Group can rectify the breach and during which the lender cannot demand immediate repayment. Other borrowings due to be settled more than 12 months after the reporting period are included in non-current borrowings in the statements of financial position.

Borrowing costs are recognised in profit or loss using the effective interest method.

#### Derecognition

A financial liability is derecognised when the obligation under the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

### Derivative financial instrument and hedge accounting

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value change on derivative that is not designated or does not qualify for hedge accounting is recognised in profit or loss when the change arises.

The Group documents at the inception of the transaction the relationship between the hedging instrument and hedged item, as well as its risk management objective and strategies for undertaking the hedging transaction. The Group also documents its assessment, both at hedge inception and on an ongoing basis on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9 *Financial Instruments*.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2(d) Material accounting policy information (cont'd)

### Derivative financial instrument and hedge accounting (cont'd)

#### Cash flow hedge

The Group enters into an interest rate swap that is a cash flow hedge for the Group's exposure to interest rate risk on its borrowing. The contract entitles the Group to receive interest at floating rate on a notional principal amount and obliges the Group to pay interest at fixed rate on the same notional principal amount, thus allowing the Group to raise borrowing at floating rate and swap it into fixed rate.

The fair value change on the effective portion of interest rate swap designated as cash flow hedge is recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowing is recognised in profit or loss under finance costs. The fair value change on the ineffective portion of interest rate swap is recognised immediately in profit or loss.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and includes all costs in bringing the inventories to their present location and condition.

Allowance is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at banks. Cash equivalents are short-term (generally with maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude deposits pledged or with maturity of more than three months.

### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

### Treasury shares

When the Company purchases its own ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently sold, the cost of treasury shares is reversed from the treasury shares account, and the realised gain or loss on sale, net of any directly attributable incremental transaction costs and related income tax, is recognised in a separate reserve of the Company.

### Preference shares

In determining whether a preference share is a financial liability or an equity instrument, the Group assesses the particular rights attaching to the share to determine whether it exhibits the fundamental characteristic of a financial liability. An option of the issuer to redeem the shares for cash does not satisfy the definition of a financial liability because the issuer does not have a present obligation to transfer financial assets to the shareholders. In this case, redemption of the shares is solely at the discretion of the issuer. When distributions to holders of the preference shares, whether cumulative or non-cumulative, are at the discretion of the issuer, the shares are equity instruments.

The Group's redeemable non-convertible preference shares are classified as equity because and the shares bear discretionary dividends and are not convertible into ordinary shares of the Company or its subsidiaries, and redemption of the shares is at the Group's discretion. Discretionary dividends thereon are recognised as equity distributions on approval by the Company or the subsidiary's director.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2(d) Material accounting policy information (cont'd)

### Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

### Provision

Provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Present obligations arising from onerous contracts are recognised as provision.

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

### Provision for restoration costs

A provision for restoration costs is recognised when the Group is legally obligated to dismantle physical installations and to restore to its original state a property owned by external parties following decommissioning of the Group's operating facilities at the property. The costs of dismantling and restoration are capitalised as part of the Group's acquisition costs of the installations and are depreciated over their useful lives. The provision is initially recognised as the present value of the aggregate future costs. Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement and restoration costs are adjusted against the cost of the related installations, unless the decrease in the provision exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such a case, the excess of the decrease over the carrying amount of the asset, or the changes in the provision, is recognised in profit or loss immediately.

### Leases

#### The Group as a lessee

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

#### Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2(d) Material accounting policy information (cont'd)

### Leases (cont'd)

#### The Group as a lessee (cont'd)

#### *Lease liabilities (cont'd)*

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group recognises these lease payments in profit or loss in the periods that trigger these lease payments.

The lease liabilities are presented as a separate line item in the statements of financial position.

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

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

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

#### *Right-of-use assets*

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. It is subsequently measured at cost less accumulated depreciation and any impairment loss.

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

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Outlets	Lease term of 2 to 6 years
Leasehold properties	Lease term of 2 to 3 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated from the commencement date of the lease over the useful life of the underlying asset, as follows:

Motor vehicle	10 years
---------------	----------

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2(d) Material accounting policy information (cont'd)

### Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are recognised on transactions that, on initial recognition, give rise to equal amounts of deductible and taxable temporary differences, arising from leases.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a transaction which is recognised in other comprehensive income or directly in equity.

### Value-added taxes

Revenues, expenses and assets are recognised net of the amount of value-added tax ("VAT"), except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authorities, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and except that trade receivables and trade payables are recorded with the amount of VAT included. The net amount of VAT recoverable from or payable to the taxation authorities are included as part of other receivables or other payables as net input taxes or net output taxes, respectively, in the statements of financial position.

### Employee benefits

#### Defined contribution plan

The Group and the Company contribute to the Central Provident Fund ("CPF") and Employees' Provident Fund ("EPF"), defined contribution plans regulated and managed by the Government of Singapore and Government of Malaysia, respectively. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. The contributions to CPF and EPF are charged to profit or loss in the period to which the contributions relate.

#### Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2(d) Material accounting policy information (cont'd)

### Related parties

A related party is defined as follows:

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

### Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors and certain management executives are considered key management personnel of the Group.

### **Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use, based on an internal discounted cash flow evaluation. Impairment loss recognised for a cash-generating unit is charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist or may have decreased.

Any impairment loss is charged to profit or loss.

An impairment loss is reversed if there is an indication that the impairment loss previously recognised for an asset may no longer exist or may have decreased, and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that an asset's or cash-generating unit's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss is recognised as income in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2(d) Material accounting policy information (cont'd)

### Revenue from contracts with customers

Revenue from the sale of goods and rendering of services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised over time or at a point in time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the progress of completion towards the complete satisfaction of that PO.

### Sale of food and beverages

Revenue from the sale of food and beverages is recognised at a point in time when control has been transferred to customers upon delivery of the food and beverages.

### Karaoke room charges

Revenue from karaoke rooms is recognised at a point in time upon the usage of the karaoke rooms by customers.

### Service charges

Revenue from the rendering of services is recognised at a point in time when the services have been rendered.

### Rendering of live performance services

Revenue from the rendering of live performance services is recognised at a point in time when the services have been rendered.

### Sale of packaged food

Revenue from the sale of packaged food is recognised at a point in time when control has been transferred to customers upon delivery of the packaged food.

### Government grants

Government grants are recognised as a receivable at their fair value where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with.

Government grants received are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

### Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore dollar, which is also the functional currency of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 2(d) Material accounting policy information (cont'd)

### Conversion of foreign currencies

#### Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss.

Foreign currency gains and losses are reported on a net basis as either other income or other expenses depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions.

#### Group entities

The results and financial positions of all the entities (none of which has the currency of a hyperinflationary economy) within the Group that have a functional currency different from the presentation currency are translated into the presentation currency, as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the end of each reporting period;
- (ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) are translated at exchange rates at the dates of the transactions; and
- (iii) All resulting currency translation differences are recognised as other comprehensive income in the foreign currency translation reserve in equity.

### Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Company's Executive Director and Chief Executive Officer, who is the Group's chief operating decision maker, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are shown in Note 29 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

Segment results that are reported to the directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire plant and equipment and right-of-use assets.

### Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholder of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period adjusted for own shares held, for the effects of any dilutive potential ordinary shares.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 3 Plant and equipment

The Group	Renovations S\$	Furniture and equipment S\$	Computers S\$	Motor vehicle S\$	Construction -in-progress S\$	Total S\$
<u>Cost</u>						
At 1 January 2024	13,087,891	4,707,744	249,003	-	1,947,454	19,992,092
Additions	3,503,238	2,471,573	116,882	78,245	147,150	6,317,088
Transfers	1,009,597	937,857	-	-	(1,947,454)	-
Transfer from right-of-use assets (Note 4)	-	-	-	72,400	-	72,400
Exchange difference on translation	-	107	-	2,824	-	2,931
At 31 December 2024	17,600,726	8,117,281	365,885	153,469	147,150	26,384,511
Additions	<b>284,010</b>	<b>233,089</b>	<b>41,550</b>	-	<b>7,819,420</b>	<b>8,378,069</b>
Asset-related government grants	-	(27,735)	-	-	-	(27,735)
Write-offs	-	(43,746)	(36,504)	-	-	(80,250)
Transfers	<b>473,146</b>	<b>97,965</b>	-	-	(571,111)	-
Exchange difference on translation	-	<b>437</b>	<b>514</b>	<b>3,462</b>	<b>168,156</b>	<b>172,569</b>
<b>At 31 December 2025</b>	<b>18,357,882</b>	<b>8,377,291</b>	<b>371,445</b>	<b>156,931</b>	<b>7,563,615</b>	<b>34,827,164</b>
<u>Accumulated depreciation</u>						
At 1 January 2024	4,444,343	1,842,914	189,058	-	-	6,476,315
Depreciation	2,473,137	1,277,578	34,079	8,282	-	3,793,076
Transfer from right-of-use assets (Note 4)	-	-	-	43,438	-	43,438
Exchange difference on translation	-	10	-	213	-	223
At 31 December 2024	6,917,480	3,120,502	223,137	51,933	-	10,313,052
Depreciation	<b>2,674,541</b>	<b>1,404,260</b>	<b>45,236</b>	<b>23,178</b>	-	<b>4,147,215</b>
Write-offs	-	(33,981)	(34,229)	-	-	(68,210)
Exchange difference on translation	-	<b>53</b>	<b>57</b>	<b>727</b>	-	<b>837</b>
<b>At 31 December 2025</b>	<b>9,592,021</b>	<b>4,490,834</b>	<b>234,201</b>	<b>75,838</b>	-	<b>14,392,894</b>
<u>Carrying amount</u>						
<b>At 31 December 2025</b>	<b>8,765,861</b>	<b>3,886,457</b>	<b>137,244</b>	<b>81,093</b>	<b>7,563,615</b>	<b>20,434,270</b>
At 31 December 2024	10,683,246	4,996,779	142,748	101,536	147,150	16,071,459

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 3 Plant and equipment (cont'd)

<b>The Company</b>	Furniture and equipment S\$	Computers S\$	Motor vehicle S\$	Total S\$
<u>Cost</u>				
At 1 January 2024	20,994	75,775	-	96,769
Additions	6,198	33,242	-	39,440
Transfer from right-of-use assets (Note 4)	-	-	72,400	72,400
At 31 December 2024	27,192	109,017	72,400	208,609
Additions	<b>1,700</b>	<b>20,471</b>	-	<b>22,171</b>
Write-offs	<b>(19,695)</b>	<b>(36,504)</b>	-	<b>(56,199)</b>
<b>At 31 December 2025</b>	<b>9,197</b>	<b>92,984</b>	<b>72,400</b>	<b>174,581</b>
<u>Accumulated depreciation</u>				
At 1 January 2024	20,139	51,835	-	71,974
Depreciation	1,266	11,826	2,413	15,505
Transfer from right-of-use assets (Note 4)	-	-	43,438	43,438
At 31 December 2024	21,405	63,661	45,851	130,917
Depreciation	<b>1,564</b>	<b>15,637</b>	<b>7,240</b>	<b>24,441</b>
Write-offs	<b>(19,695)</b>	<b>(34,229)</b>	-	<b>(53,924)</b>
<b>As 31 December 2025</b>	<b>3,274</b>	<b>45,069</b>	<b>53,091</b>	<b>101,434</b>
<u>Carrying amount</u>				
<b>At 31 December 2025</b>	<b>5,923</b>	<b>47,915</b>	<b>19,309</b>	<b>73,147</b>
At 31 December 2024	5,787	45,356	26,549	77,692

**Impairment testing of plant and equipment and right-of-use assets**

In view of the losses incurred by certain subsidiaries for the financial years ended 31 December 2025 and 31 December 2024 management has assessed that there are indications of impairment of the Group's plant and equipment and right-of-use assets. Accordingly, the assets are tested for impairment.

The recoverable amounts are determined by management from value in use calculations based on cash flow projections from formally approved financial budgets and forecasts covering a five-year period. The remaining useful life for the cash-generating units is estimated by management to be five years, based on the weighted average remaining useful lives of the assets in the cash-generating units. The cash flows are discounted using a pre-tax discount rate of 12% (2024: 13%). The discount rate reflects current market assessments of the time value of money and the risks specific to the cash-generating units.

No impairment losses were recognised for the financial year ended 31 December 2025 and 31 December 2024 as the recoverable amounts of the assets exceeded their carrying amounts, except for an amount of S\$70,217 (Note 23) for the financial year ended 31 December 2025 in respect of an outlet for which the lease will be ending and will not be renewed subsequent to the reporting period.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 4 Right-of-use assets

The Group	Outlets S\$	Leasehold properties S\$	Motor vehicle S\$	Total S\$
<u>Cost</u>				
At 1 January 2024	21,765,425	-	72,400	21,837,825
Additions	1,756,451	619,638	-	2,376,089
Transfer to plant and equipment (Note 3)	-	-	(72,400)	(72,400)
Exchange difference on translation	627	-	-	627
At 31 December 2024	23,522,503	619,638	-	24,142,141
Additions	<b>10,030,138</b>	<b>851,861</b>	-	<b>10,881,999</b>
Lease modification	<b>2,640,303</b>	-	-	<b>2,640,303</b>
Lease termination	-	<b>(149,859)</b>	-	<b>(149,859)</b>
Exchange difference on translation	<b>259,643</b>	<b>5,621</b>	-	<b>265,264</b>
<b>At 31 December 2025</b>	<b>36,452,587</b>	<b>1,327,261</b>	-	<b>37,779,848</b>
<u>Accumulated depreciation and impairment losses</u>				
At 1 January 2024	5,169,892	-	38,612	5,208,504
Depreciation	6,007,697	95,286	4,826	6,107,809
Transfer to plant and equipment (Note 3)	-	-	(43,438)	(43,438)
Exchange difference on translation	235	-	-	235
At 31 December 2024	11,177,824	95,286	-	11,273,110
Depreciation	<b>7,071,232</b>	<b>381,065</b>	-	<b>7,452,297</b>
Impairment losses (Note 23)	<b>70,217</b>	-	-	<b>70,217</b>
Lease termination	-	<b>(74,929)</b>	-	<b>(74,929)</b>
Exchange difference on translation	<b>16,950</b>	<b>743</b>	-	<b>17,693</b>
<b>At 31 December 2025</b>	<b>18,336,223</b>	<b>402,165</b>	-	<b>18,738,388</b>
<u>Carrying amount</u>				
<b>At 31 December 2025</b>	<b>18,116,364</b>	<b>925,096</b>	-	<b>19,041,460</b>
At 31 December 2024	12,344,679	524,352	-	12,869,031
<b>The Company</b>				
<u>Cost</u>				
At 1 January 2024	-	-	72,400	72,400
Additions	-	149,859	-	149,859
Transfer to plant and equipment (Note 3)	-	-	(72,400)	(72,400)
At 31 December 2024	-	149,859	-	149,859
Additions	-	<b>484,540</b>	-	<b>484,540</b>
Lease termination	-	<b>(149,859)</b>	-	<b>(149,859)</b>
<b>At 31 December 2025</b>	-	<b>484,540</b>	-	<b>484,540</b>
<u>Accumulated depreciation</u>				
At 1 January 2024	-	-	38,612	38,612
Depreciation	-	37,465	4,826	42,291
Transfer to plant and equipment (Note 3)	-	-	(43,438)	(43,438)
At 31 December 2024	-	37,465	-	37,465
Depreciation	-	<b>101,220</b>	-	<b>101,220</b>
Lease termination	-	<b>(74,929)</b>	-	<b>(74,929)</b>
<b>At 31 December 2025</b>	-	<b>63,756</b>	-	<b>63,756</b>
<u>Carrying amount</u>				
<b>At 31 December 2025</b>	-	<b>420,784</b>	-	<b>420,784</b>
At 31 December 2024	-	112,394	-	112,394

Details of the impairment testing performed in respect of the Group's plant and equipment and right-of-use assets are disclosed in Note 3 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5 Intangible assets

<b>The Group and the Company</b>	Software S\$	Goodwill S\$	Total S\$
<u>Cost</u>			
<b>At 1 January 2024, 31 December 2024 and 31 December 2025</b>	<b>16,427</b>	<b>358,360</b>	<b>374,787</b>
<u>Accumulated amortisation and impairment losses</u>			
At 1 January 2024	11,910	358,360	370,270
Amortisation (Note 23)	1,643	-	1,643
At 31 December 2024	13,553	358,360	371,913
Amortisation (Note 23)	<b>1,643</b>	-	<b>1,643</b>
<b>At 31 December 2025</b>	<b>15,196</b>	<b>358,360</b>	<b>373,556</b>
<u>Carrying amount</u>			
<b>At 31 December 2025</b>	<b>1,231</b>	-	<b>1,231</b>
At 31 December 2024	2,874	-	2,874

### Software

Software is used to enhance the functionalities and user interface for the Group's karaoke equipment.

## 6 Subsidiaries

<b>The Company</b>	2025 S\$	2024 S\$
<u>Unquoted equity investments, at cost</u>		
At 1 January	<b>10,441,777</b>	6,281,780
Additions (Notes 6(i), 6(ii), 6(iii), 6(iv), 6(v))	<b>515,100</b>	5,159,997
Disposal (Note 6(vi))	-	(1,000,000)
At 31 December	<b>10,956,877</b>	10,441,777
<u>Less: Allowance for impairment losses</u>		
At 1 January	<b>(300,000)</b>	(1,300,000)
Allowance utilised (Note 6(vii))	-	1,000,000
At 31 December	<b>(300,000)</b>	(300,000)
Carrying amount	<b>10,656,877</b>	10,141,777

The Company's cost of investment in Have Fun Serangoon Pte. Ltd. which was under liquidation was fully written off against the allowance for impairment loss of S\$1,000,000 for the financial year ended 31 December 2024. The liquidation was completed on 12 January 2026.

Details of the subsidiaries are as follows:

Name	Country of incorporation/ Principal place of business	Percentage of equity interest		Principal activities
		2025 %	2024 %	
<u>Held by the Company</u>				
7-24 Entertainment Pte. Ltd. <sup>(a)</sup>	Singapore	<b>85</b>	85	Operation of karaoke lounges
Have Fun Orchard Pte. Ltd. <sup>(a)</sup>	Singapore	<b>100</b>	100	Operation of karaoke lounges

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 6 Subsidiaries (cont'd)

Name	Country of incorporation/ Principal place of business	Percentage of equity interest		Principal activities
		2025 %	2024 %	
<u>Held by the Company (cont'd)</u>				
Have Fun Serangoon Pte. Ltd. <sup>(c)</sup>	Singapore	-	-	Operation of karaoke lounges (under liquidation)
Have Fun DTE Pte. Ltd. <sup>(a)</sup>	Singapore	100	100	Operation of karaoke lounges
HF Chinatown Pte. Ltd. <sup>(a)</sup>	Singapore	70	70	Operation of karaoke lounges
Have Fun TPY Pte. Ltd. <sup>(a)</sup>	Singapore	100	100	Operation of karaoke lounges
Have Fun Yishun Pte. Ltd. <sup>(a)</sup>	Singapore	100	100	Operation of karaoke lounges
Have Fun Thomson Pte. Ltd. <sup>(a)</sup>	Singapore	65	65	Operation of karaoke lounges
Have Fun Bugis Pte. Ltd. <sup>(a)</sup>	Singapore	78.83	78.83	Operation of karaoke lounges and multi-entertainment venue
Have Fun Cineleisure Pte. Ltd. <sup>(a)</sup>	Singapore	100	100	Operation of karaoke lounges and multi-entertainment venue
Have Fun Suntec Pte. Ltd. <sup>(a)</sup>	Singapore	100	100	Operation of karaoke lounges
Have Fun Pasir Ris Pte. Ltd. <sup>(a)</sup>	Singapore	100	100	Operation of karaoke lounges
Have Fun Lite Pte. Ltd. <sup>(a)</sup>	Singapore	100	100	Investment holding
Yakitori One Pte. Ltd. <sup>(a)</sup>	Singapore	100	100	Operation of restaurants
Goodwill Entertainment Malaysia Sdn. Bhd. <sup>(b)</sup>	Malaysia	100	100	Operation of karaoke lounges (yet to commence operations)
Have Fun Bugis Plus Pte. Ltd. <sup>(a)</sup>	Singapore	100	100	Operation of karaoke lounges
Have Fun Seletar Pte. Ltd. (formerly known as Open Menu Marketing Pte. Ltd.) <sup>(a)</sup>	Singapore	100	100	Operation of karaoke lounges
Cookease Pte. Ltd. <sup>(a)</sup>	Singapore	100	100	Manufacture and sale of packaged food
Have Fun Collective Pte. Ltd. <sup>(e)</sup>	Singapore	100	-	Operation of restaurants
Aimo Entertainment Pte. Ltd. <sup>(e)</sup>	Singapore	51	-	Operation of karaoke lounges
<u>Held by Have Fun Lite Pte. Ltd.</u>				
Have Fun KL Sdn. Bhd. <sup>(d)</sup>	Malaysia	70	-	Operation of karaoke lounges and multi-entertainment venue

<sup>(a)</sup> Audited by Foo Kon Tan LLP, Singapore<sup>(b)</sup> Audited by Daxin KF&C PLT, Malaysia<sup>(c)</sup> Liquidated on 12 January 2026<sup>(d)</sup> Audited by HLB Ler Lum Chew PLT, Malaysia<sup>(e)</sup> Not required to be audited

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 6 Subsidiaries (cont'd)

### (i) Acquisition of non-controlling interests in subsidiaries without change in control

#### 7-24 Entertainment Pte. Ltd.

During the financial year ended 31 December 2024, the Company had acquired an additional 8% equity interest in the subsidiary from an existing shareholder for a cash consideration of S\$200,000. Accordingly, the Company's equity interest in the subsidiary increased from 77% to 85%. The financial effects were summarised as follows:

	2024 S\$
Carrying amount of non-controlling interest acquired	171,122
Consideration paid to non-controlling interest	(200,000)
Decrease in equity attributable to owners of the Company	(28,878)

#### Have Fun Selatar Pte. Ltd. (formerly known as Open Menu Marketing Pte. Ltd.)

On 30 December 2024, the Company had acquired the remaining 5,000 ordinary shares from a third party for a cash consideration of S\$5,000. Accordingly, the Company's equity interest in the subsidiary increased from 50% to 100%. The financial effects were summarised as follows:

	2024 S\$
Carrying amount of non-controlling interest acquired	5,000
Consideration paid to non-controlling interest	(5,000)
Decrease in equity attributable to owners of the Company	-

### (ii) Incorporation of subsidiaries with non-controlling interests

On 2 April 2024, Have Fun Selatar Pte. Ltd. (formerly known as Open Menu Marketing Pte. Ltd.) was incorporated by the Company with an issued and paid-up capital of S\$10,000, comprising 10,000 ordinary shares of S\$1 each, with 5,000 ordinary shares held by the Company, representing 50% equity interest.

On 17 February 2025, the Company, through its wholly-owned subsidiary, Have Fun Lite Pte. Ltd. ("HF Lite"), entered into a subscription and shareholders' agreement with HF Entertainment Sdn. Bhd. in connection with the subscription of new ordinary shares in the capital of Have Fun KL Sdn. Bhd. ("HF KL"). On 18 February 2025, HF Lite completed the subscription of 70% equity interest in HF KL, with 700,000 ordinary shares of RM1 each held by HF Lite, for RM700,000 (S\$214,325). 300,000 ordinary shares amounting to RM300,000 (S\$91,854) are held by a non-controlling interest, representing 30% equity interest.

On 12 August 2025, Aimo Entertainment Pte. Ltd. was incorporated by the Company with an issued and paid-up capital of S\$10,000, comprising 10,000 ordinary shares of S\$1 each, with 5,100 ordinary shares held by the Company, representing 51% equity interest. 4,900 ordinary shares amounting to S\$4,900 are held by a non-controlling interest, representing 51% equity interest.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 6 Subsidiaries (cont'd)

### (iii) Incorporation of subsidiaries without non-controlling interests

On 31 January 2024, Have Fun Bugis Plus Pte. Ltd. was incorporated with an issued and paid-up capital of S\$10,000, comprising 10,000 ordinary shares of S\$1 each, with 10,000 ordinary shares held by the Company, representing 100% equity interest. On 5 April 2024, the subsidiary issued 40,000 ordinary shares of S\$1 each to the Company, amounting to S\$40,000. The Company's equity interest in the subsidiary remained at 100%.

On 5 April 2024, Cookease Pte. Ltd. was incorporated with an issued and paid-up capital of S\$50,000, comprising 50,000 ordinary shares of S\$1 each, with 50,000 ordinary shares held by the Company, representing 100% equity interest.

On 1 August 2025, Have Fun Collective Pte. Ltd. was incorporated by the Company with an issued and paid-up capital of S\$300,000, comprising 300,000 ordinary shares of S\$1 each, with 300,000 ordinary shares held by the Company, representing 100% equity interest.

### (iv) Capital contribution by a non-controlling interest in a subsidiary and the Company

#### Have Fun Bugis Pte. Ltd.

The Company had held 2,501 ordinary shares in the capital of the subsidiary, representing 100% equity interest. During the financial year ended 31 December 2023, the subsidiary had received a deposit of S\$900,000 from a third party, Hezong Pte. Ltd. ("Hezong"), for the purpose of investing in a live performance venue to be operated by the subsidiary. During the financial year ended 31 December 2024, the Company received the balance amount of S\$900,000 from Hezong. Following the receipt of the balance amount, 4,200 and 1,800 ordinary shares in the capital of the subsidiary were issued to the Company and Hezong Pte. Ltd., for a consideration of S\$4,200,000 and S\$1,800,000, respectively, which relate to equity interest in a live performance venue operated by the subsidiary. Consequently, the Company held an aggregate 78.83% equity interest in the subsidiary.

### (v) Capital contributions in subsidiaries

On 25 April 2024, Have Fun Lite Pte. Ltd. issued 199,999 ordinary shares of S\$1 each to the Company, amounting to S\$199,999. The Company's equity interest in the subsidiary remained at 100%.

On 25 April 2024, Have Fun Pasir Ris Pte. Ltd. issued 149,999 ordinary shares of S\$1 each to the Company, amounting to S\$149,999. The Company's equity interest in the subsidiary remained at 100%.

On 25 April 2024, Yakitori One Pte. Ltd. issued 299,999 ordinary shares of S\$1 each to the Company, amounting to S\$299,999. The Company's equity interest in the subsidiary remained at 100%.

On 18 March 2025, Yakitori One Pte. Ltd. issued 20,000 ordinary shares of S\$1 each to the Company, amounting to S\$20,000. The Company's equity interest in the subsidiary remained at 100%.

On 8 October 2025, Have Fun Seletar Pte. Ltd. issued 190,000 ordinary shares of S\$1 each to the Company, amounting to S\$190,000. The Company's equity interest in the subsidiary remained at 100%.

### (vi) Impairment testing of investments in subsidiaries

In view of the losses incurred by certain subsidiaries for the financial years ended 31 December 2025 and 31 December 2024, management has assessed that there are indications of impairment of the Company's investments in subsidiaries. Accordingly, the assets are tested for impairment.

The recoverable amounts of the investments in subsidiaries are based on the higher of value in use and fair value less costs of disposal.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 6 Subsidiaries (cont'd)

### (vi) Impairment testing of investments in subsidiaries (cont'd)

The recoverable amounts are determined by management from value in use calculations based on cash flow projections from formally approved financial budgets and forecasts covering a five-year period. The cash flows for the subsequent years are extrapolated from the fifth-year cash flow using a 1.97% (2024: 1.96%) terminal growth rate, and discounted using a pre-tax discount rate of 11.3% (2024: 11.8%). The discount rate reflects current market assessments of the time value of money and the risks specific to the cash-generating units.

Based on the recoverable amounts, no impairment losses are recognised for the financial years ended 31 December 2025 and 31 December 2024.

### (vii) Issuance of preference shares

On 18 March 2025, the Company's wholly-owned subsidiary, Yakitori One Pte. Ltd., allotted and issued 480,000 redeemable non-convertible preference shares ("RNCPS") at S\$1 per share to four third-party individuals.

The terms and conditions of the RNCPS are mainly as follows:

- Dividends are discretionary and subject to approval of the Company or director of the subsidiary.
- Subject to applicable laws, the preference shareholders shall receive an aggregate of 60% of any dividend declared by the subsidiary.
- Dividend provision is senior to other series of preference shares and ordinary shares.
- The preference shareholders shall have no voting rights at shareholders' meetings of the subsidiary.
- The preference shareholders are not entitled to the net assets of the subsidiary.
- Redemption is at the sole discretion of the subsidiary, subject to 30 days prior written notice to the holders of the RNCPS.
- The preference shareholders shall have no right of conversion to ordinary shares of the Company or the subsidiary.

### (viii) Subsidiaries with material non-controlling interests

The following summarises the financial information of each of the Company's subsidiaries with material non-controlling interests based on their respective financial statements prepared in accordance with SFRS(I)s. The information is before intra-group eliminations. The subsidiaries with material non-controlling interests are as follows:

Name	Proportion of effective interests held by non-controlling interests	
	2025 %	2024 %
7-24 Entertainment Pte. Ltd. ("7-24")	15	15
HF Chinatown Pte. Ltd. ("Chinatown")	30	30
Have Fun Thomson Pte. Ltd. ("Thomson")	35	35
Have Fun Bugis Pte. Ltd. ("Bugis")	21.17	21.17
Aimo Entertainment Pte. Ltd. ("Aimo")	49	-
Have Fun KL Sdn. Bhd. ("HF KL")	30	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 6 Subsidiaries (cont'd)

## (viii) Subsidiaries with material non-controlling interests (cont'd)

Summarised statements of financial position

	7-24		Chinatown		Thomson		Buais		Aimo		HF KL		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Assets and liabilities</b>														
Current assets	3,238,206	3,389,153	724,264	863,233	196,162	79,612	6,542,050	6,476,363	535,442	90,261	11,326,385	10,808,361		
Non-current assets	1,299,221	2,302,650	1,327,985	737,251	13,814	496,910	5,881,581	7,772,830	-	12,272,732	20,795,333	11,309,641		
Total assets	4,537,427	5,691,803	2,052,249	1,600,484	209,976	576,522	12,423,631	14,249,193	535,442	12,362,993	32,121,718	22,118,002		
Current liabilities	1,961,364	2,053,399	389,131	285,452	1,630,816	1,689,084	3,585,816	4,649,822	558,727	6,986,176	15,112,030	8,677,757		
Non-current liabilities	244,182	1,201,528	674,531	34,584	-	88,210	1,919,286	2,528,814	-	5,659,982	8,497,981	3,853,136		
Total liabilities	2,205,546	3,254,927	1,063,662	320,036	1,630,816	1,777,294	5,505,102	7,178,636	558,727	12,646,158	23,610,011	12,530,893		
Net assets/(liabilities)	2,331,881	2,436,876	988,587	1,280,448	(1,420,840)	(1,200,772)	6,918,529	7,070,557	(23,285)	(283,165)	8,511,707	9,587,109		
Net assets/(liabilities) attributable to non-controlling interests	349,782	365,531	296,576	384,134	(478,922)	(401,898)	1,777,939	1,822,577	(11,410)	(84,950)	1,849,015	2,170,344		
Preference shares (Note 6(vii))											480,000			
											2,329,015	2,170,344		
Dividends to non-controlling interests	75,000	-	90,000	-	-	-	654,000	1,050,000	-	-	819,000	1,050,000		

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 6 Subsidiaries (cont'd)

## (viii) Subsidiaries with material non-controlling interests (cont'd)

Summarised statements of profit or loss and other comprehensive income	7-24		Chinatown		Ihomson		Bualis		Aimo		HF KL		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Revenue	3,118,899	2,976,598	1,285,063	1,377,748	693,480	867,402	21,210,027	25,126,184	-	-	26,307,469	30,347,932		
Expenses	(2,723,894)	(2,596,529)	(1,276,924)	(1,266,362)	(913,548)	(927,016)	(19,182,055)	(21,056,831)	(33,285)	(580,338)	(24,710,044)	(25,846,738)		
Profit/(Loss) for the year	395,005	380,069	8,139	111,386	(220,068)	(59,614)	2,027,972	4,069,353	(33,285)	(580,338)	1,597,425	4,501,194		
Attributable to non-controlling interests:														
Profit/(Loss) for the year	59,251	63,589	2,442	33,416	(77,024)	(20,865)	609,362	1,072,574	(16,310)	(174,102)	403,619	1,148,714		
Other comprehensive loss for the year	-	-	-	-	-	-	-	-	-	(2,702)	(2,702)	-		
Total comprehensive income/(loss) for the year	59,251	63,589	2,442	33,416	(77,024)	(20,865)	609,362	1,072,574	(16,310)	(176,804)	400,917	1,148,714		
Summarised statements of cash flows														
	7-24		Chinatown		Ihomson		Bualis		Aimo		HF KL		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Cash flows from:														
- operating activities	1,733,634	1,392,816	484,696	605,148	174,507	180,600	3,363,262	8,450,685	(551,868)	(434,883)	4,769,348	10,629,249		
- investing activities	166,295	951,791	227,880	(10,699)	(5,445)	151,070	(1,808,378)	(4,046,561)	-	(5,912,757)	(7,332,405)	(2,954,399)		
- financing activities	(1,704,924)	(2,169,057)	(651,339)	(501,430)	(169,979)	(359,591)	(3,148,622)	(1,131,121)	551,868	6,357,212	1,234,216	(4,161,199)		
	195,005	175,550	61,237	93,019	(917)	(27,921)	(1,593,738)	3,273,003	-	9,572	(1,328,841)	3,513,651		

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 7 Deferred taxation

<b>The Group</b>	<b>2025</b>	2024
	S\$	S\$
At 1 January	<b>(320,159)</b>	211,957
Recognised in profit or loss (Note 25)	<b>(324,376)</b>	(532,116)
<b>At 31 December</b>	<b>(644,535)</b>	(320,159)

**The Company**

At 1 January	<b>13,550</b>	12,794
Recognised in profit or loss	-	756
<b>At 31 December</b>	<b>13,550</b>	13,550

Deferred taxation comprises the following:

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	2024	<b>2025</b>	2024
	S\$	S\$	S\$	S\$
Deferred tax assets	<b>52,791</b>	52,791	<b>13,550</b>	13,550
Deferred tax liabilities	<b>(697,326)</b>	(372,950)	-	-
	<b>(644,535)</b>	(320,159)	<b>13,550</b>	13,550

The movement in deferred tax assets and deferred tax liabilities (prior to offsetting of balances within the same tax jurisdiction) are as follows:

Deferred tax assets

<b>The Group</b>	Unused tax losses S\$	Lease liabilities S\$	Total S\$
At 1 January 2024	80,948	2,158,983	2,239,931
Recognised in profit or loss	58,196	(231,448)	(173,252)
At 31 December 2024	139,144	1,927,535	2,066,679
Recognised in profit or loss	-	<b>(371,793)</b>	<b>(371,793)</b>
<b>At 31 December 2025</b>	<b>139,144</b>	<b>1,555,742</b>	<b>1,694,886</b>

**The Company**

At 1 January 2024	12,794	-	12,794
Recognised in profit or loss	756	-	756
<b>At 31 December 2024 and 31 December 2025</b>	<b>13,550</b>	-	<b>13,550</b>

Deferred tax liabilities

<b>The Group</b>	Plant and equipment S\$	Right-of-use assets S\$	Total S\$
At 1 January 2024	75,646	1,952,328	2,027,974
Recognised in profit or loss	555,788	(196,924)	358,864
At 31 December 2024	631,434	1,755,404	2,386,838
Recognised in profit or loss	<b>248,616</b>	<b>(296,033)</b>	<b>(47,417)</b>
<b>At 31 December 2025</b>	<b>880,050</b>	<b>1,459,371</b>	<b>2,339,421</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 8 Trade and other receivables

	The Group		The Company	
	2025	2024	2025	2024
	S\$	S\$	S\$	S\$
Trade receivables from third parties	<b>728,780</b>	611,056	<b>15,557</b>	14,250
Amounts due from subsidiaries (non-trade)	-	-	<b>17,580,418</b>	12,073,034
Less: Allowance for impairment losses	-	-	<b>(1,048,953)</b>	(145,300)
	-	-	<b>16,531,465</b>	11,927,734
Long-term deposits	<b>2,049,206</b>	2,981,704	<b>64,198</b>	-
Short-term deposits	<b>1,848,192</b>	276,168	-	16,966
	<b>3,897,398</b>	3,257,872	<b>64,198</b>	16,966
Dividend receivable	-	-	-	490,000
Loan to a non-controlling interest	<b>246,000</b>	-	-	-
Other receivables	<b>1,020,854</b>	361,060	<b>781,510</b>	248,460
Financial assets at amortised cost	<b>5,893,032</b>	4,229,988	<b>17,392,730</b>	12,697,410
Net input taxes	<b>161,259</b>	33,340	-	-
Total trade and other receivables	<b>6,054,291</b>	4,263,328	<b>17,392,730</b>	12,697,410
Represented by:				
- Non-current	<b>2,049,206</b>	2,981,704	<b>64,198</b>	-
- Current	<b>4,005,085</b>	1,281,624	<b>17,328,532</b>	12,697,410
	<b>6,054,291</b>	4,263,328	<b>17,392,730</b>	12,697,410

Trade receivables mainly relate to outstanding balances due from third-party merchant payment platforms. Trade receivables are unsecured and non-interest bearing. Due to the nature of the business, the Group and the Company generally do not extend credit period to customers, except for certain corporate customers for which credit period of 30 days is given. Amounts are deemed to be collectible on issuance of invoices. The Group and the Company actively review the trade receivable balances and follow up on outstanding debts with the customers.

The ageing analysis of trade receivables from third parties is as follows:

	2025	2024
The Group	S\$	S\$
Not past due	<b>77,440</b>	-
Past due 1 to 30 days	<b>624,646</b>	604,702
Past due 31 to 60 days	<b>4,661</b>	6,354
Past due 61 to 90 days	<b>7,173</b>	-
Past due more than 90 days	<b>14,860</b>	-
	<b>728,780</b>	611,056
The Company		
Past due 1 to 30 days	<b>15,557</b>	14,250

Based on historical default rates, the Group and the Company believe that no impairment allowance is necessary in respect of trade receivables as they mainly arise from customers that have a good credit record with the Group and the Company.

The non-trade amounts due from subsidiaries, which represent advances to and payments on behalf of the subsidiaries, are unsecured, interest-free and repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

**8 Trade and other receivables (cont'd)**

The movement in allowance for impairment losses on non-trade amounts due from subsidiaries during the financial year is as follows:

<b>The Company</b>	<b>2025</b> S\$	2024 S\$
At 1 January	<b>145,300</b>	134,543
Allowance made	<b>903,653</b>	10,757
At 31 December	<b>1,048,953</b>	145,300

Deposits mainly relate to security deposits for rental of outlets.

Loan to a non-controlling interest is unsecured, interest-free and repayable on demand.

Other receivables comprise marketing incentives from brand owners, and as at 31 December 2025, also includes an amount of S\$663,083 relating to deposits placed by the Company in respect of a share buyback mandate entered into with a financial institution. Under the mandate, the financial institution utilises the deposits to conduct share buyback transactions on behalf of the Company under terms agreed with the financial institution.

Trade and other receivables (excluding net input taxes) are denominated in the following currencies:

	<b>The Group</b> 2025 S\$	2024 S\$	<b>The Company</b> 2025 S\$	2024 S\$
Singapore dollar	<b>5,886,177</b>	4,227,505	<b>17,392,730</b>	12,697,410
Malaysian ringgit	<b>6,855</b>	2,483	-	-
	<b>5,893,032</b>	4,229,988	<b>17,392,730</b>	12,697,410

**9 Inventories**

	<b>The Group</b> 2025 S\$	2024 S\$	<b>The Company</b> 2025 S\$	2024 S\$
Beverages and liquors, at cost	<b>982,577</b>	1,428,520	<b>439,879</b>	742,735
Packaged food, at cost	<b>98,363</b>	57,860	-	-
	<b>1,080,940</b>	1,486,380	<b>439,879</b>	742,735

Inventories amounting to S\$3,342 (2024: S\$nil) (Note 23) were written off in profit or loss during the financial year ended 31 December 2025.

**10 Prepayments**

	<b>The Group</b> 2025 S\$	2024 S\$	<b>The Company</b> 2025 S\$	2024 S\$
Advances to suppliers	<b>213,270</b>	99,090	<b>25,694</b>	9,507
Advertising fees	<b>84,725</b>	45,004	<b>26,292</b>	-
Insurance premiums	<b>13,408</b>	17,716	<b>1,314</b>	1,058
Licence fees	<b>289,094</b>	171,078	<b>1,367</b>	-
Professional fees	<b>17,972</b>	23,560	<b>13,994</b>	13,800
Others	<b>13,904</b>	17,262	<b>284</b>	2,303
	<b>632,373</b>	373,710	<b>68,945</b>	26,668

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 11 Cash and bank deposits

	The Group 2025 S\$	2024 S\$	The Company 2025 S\$	2024 S\$
Cash on hand	30,348	22,940	-	-
Cash in banks	10,132,134	18,784,397	1,654,789	9,976,376
	<b>10,162,482</b>	<b>18,807,337</b>	<b>1,654,789</b>	<b>9,976,376</b>

Cash at banks is held in current accounts and is non-interest bearing.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

The Group	2025 S\$	2024 S\$
Cash on hand	30,348	22,940
Cash at banks	10,132,134	18,784,397
	<b>10,162,482</b>	<b>18,807,337</b>
Less:		
Bank deposit pledged	<b>(450,000)</b>	(450,000)
	<b>9,712,482</b>	<b>18,357,337</b>

Bank deposit pledged relates to a bank loan obtained by the Group and the Company (Note 16).

Cash and bank deposits are denominated in the following currencies:

	The Group 2025 S\$	2024 S\$	The Company 2025 S\$	2024 S\$
Singapore dollar	10,088,616	18,796,931	1,654,789	9,976,376
Malaysian ringgit	73,866	10,406	-	-
	<b>10,162,482</b>	<b>18,807,337</b>	<b>1,654,789</b>	<b>9,976,376</b>

## 12 Share capital

The Group and the Company	2025 Number of ordinary shares	2024 Number of ordinary shares	2025 S\$	2024 S\$
<u>Issued and fully paid, with no par value</u>				
At 1 January	400,000,000	942,628	17,005,374	8,895,953
Issuance of ordinary shares	-	43,250,000	-	8,109,421
Share split	-	355,807,372	-	-
At 31 December	<b>400,000,000</b>	<b>400,000,000</b>	<b>17,005,374</b>	<b>17,005,374</b>

On 25 October 2024, the Company had conducted a share split. Under the share split, 942,628 ordinary shares in the capital of the Company were sub-divided into 356,750,000 ordinary shares. Pursuant to the share split, the issued and paid-up share capital of the Group remained at S\$8,895,953, comprising 356,750,000 ordinary shares.

On 15 November 2024, the Company had issued 43,250,000 ordinary shares at S\$0.20 per share through the Company's initial public offering. The cash consideration for 42,500,000 ordinary shares was S\$8,500,000. The remaining 750,000 ordinary shares were issued to the Company's sponsor and joint placement agent as commission shares, amounting to S\$150,000. Share issuance costs amounted to S\$540,579.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 13 Treasury shares

The Group and the Company	2025	2024	2025	2024
	Number of ordinary shares		S\$	S\$
At 1 January	-	-	-	-
Purchase of treasury shares	<b>4,837,400</b>	-	<b>836,913</b>	-
At 31 December	<b>4,837,400</b>	-	<b>836,913</b>	-

Treasury shares relate to the issued ordinary shares of the Company that are re-purchased and held by the Company.

## 14 Other reserves

	The Group		The Company	
	2025	2024	2025	2024
	S\$	S\$	S\$	S\$
Capital reserve	<b>731,436</b>	731,436	-	-
Foreign currency translation reserve	<b>(3,116)</b>	3,778	-	-
Hedging reserve	<b>(55,237)</b>	(102,314)	<b>(55,237)</b>	(102,314)
	<b>673,083</b>	632,900	<b>(55,237)</b>	(102,314)

Capital reserve

Capital reserve represents the effects of changes in ownership interests in subsidiaries where there is no change in control.

Foreign currency translation reserve

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

Hedging reserve

Hedging reserve arises from the fair value gain or loss on derivative financial instrument.

## 15 Lease liabilities

	The Group		The Company	
	2025	2024	2025	2024
	S\$	S\$	S\$	S\$
Undiscounted lease payments due:				
- Year 1	<b>7,915,753</b>	7,243,283	<b>176,049</b>	54,000
- Year 2	<b>4,971,160</b>	4,824,117	<b>176,049</b>	54,000
- Year 3	<b>3,840,921</b>	1,740,659	<b>132,037</b>	13,500
- Year 4	<b>2,143,400</b>	1,004,534	-	-
- Year 5	<b>2,143,264</b>	-	-	-
- Year 6 and onwards	<b>1,650,506</b>	-	-	-
	<b>22,665,004</b>	14,812,593	<b>484,135</b>	121,500
Less: Unearned interest cost	<b>(2,321,200)</b>	(955,223)	<b>(33,482)</b>	(6,978)
	<b>20,343,804</b>	13,857,370	<b>450,653</b>	114,522
Represented by:				
- Non-current	<b>13,438,413</b>	7,188,463	<b>294,066</b>	65,247
- Current	<b>6,905,391</b>	6,668,907	<b>156,587</b>	49,275
	<b>20,343,804</b>	13,857,370	<b>450,653</b>	114,522

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 15 Lease liabilities (cont'd)

The lease liabilities relate to the Group's and the Company's outlets, leasehold properties and motor vehicle, which are secured by the lessors' title to the leased assets.

Interest expense on lease liabilities of S\$849,466 (2024: S\$855,534) (Note 24) is recognised in profit or loss for the financial year ended 31 December 2025 under finance costs.

Lease payments not included in the measurement of lease liabilities but recognised within lease expenses in profit or loss are set out below:

<b>The Group</b>	<b>2025</b> <b>S\$</b>	<b>2024</b> <b>S\$</b>
Short-term leases	<b>122,033</b>	17,965
Variable lease payments	<b>1,084,856</b>	1,809,374
<b>Total</b>	<b>1,206,889</b>	1,827,339

At the end of the reporting period, the Group's short-term lease commitments are not substantially dissimilar to those giving rise to the Group's short-term lease expense for the year.

The leases for certain outlets contain variable lease payments that are based on a percentage of sales generated by the outlets, on top of fixed payments. The Group negotiates variable lease payments for a variety of reasons, including minimising the fixed costs for newly established outlets. Such variable lease payments are recognised in profit or loss when incurred.

Total cash outflow for leases amounted to S\$8,869,787 (2024: S\$8,837,826), comprising lease liabilities, short-term leases and variable lease payments of S\$7,662,898 (2024: S\$7,010,487), S\$122,033 (2024: S\$17,965) and S\$1,084,856 (2024: S\$1,809,374), respectively, for the financial year ended 31 December 2025.

Lease liabilities are denominated in the following currencies:

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Singapore dollar	<b>13,901,656</b>	13,845,906	<b>450,653</b>	114,522
Malaysian ringgit	<b>6,442,148</b>	11,464	-	-
	<b>20,343,804</b>	13,857,370	<b>450,653</b>	114,522

## 16 Borrowings

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>Non-current</b>				
Bank loans	<b>2,422,973</b>	5,707,232	<b>1,441,521</b>	4,096,601
<b>Current</b>				
Bank loans	<b>3,491,495</b>	3,219,132	<b>2,863,029</b>	2,421,331
	<b>5,914,468</b>	8,926,364	<b>4,304,550</b>	6,517,932

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

**16 Borrowings (cont'd)**

The terms and conditions of borrowings at the end of the reporting period are as follows:

<b>The Group</b>	Currency	Nominal interest rate	Year of maturity	Carrying amount S\$
<b>2025</b>				
Bank loans	SGD	5.42% - 8%	2026 - 2029	5,914,468
<b>2024</b>				
Bank loans	SGD	2.6% - 8%	2025 - 2029	8,926,364
<b>The Company</b>				
<b>2025</b>				
Bank loans	SGD	5.42% - 8%	2027 - 2029	4,304,550
<b>2024</b>				
Bank loans	SGD	5.35% - 8%	2027 - 2029	6,517,932

**Bank loans**

The bank loans are secured by corporate guarantees from the Company or certain subsidiaries, personal guarantees from the Executive Director and Chief Executive Officer of the Company, and/or a bank deposit of the Group and the Company (Note 11).

**Carrying amounts and fair values**

The carrying amounts of short-term borrowings approximate their fair values. The carrying amounts and fair values of long-term borrowings at the end of the reporting period are as follows:

<b>The Group</b>	Carrying amount S\$	Fair value S\$
<b>31 December 2025</b>		
Bank loans	5,914,468	6,009,548
<b>31 December 2024</b>		
Bank loans	8,926,364	9,099,910
<b>The Company</b>		
<b>31 December 2025</b>		
Bank loans	4,304,550	4,344,596
<b>31 December 2024</b>		
Bank loans	6,517,932	6,558,491

The fair values are determined from the discounted cash flow analysis, using the discount rates based on the borrowing rates which management expects would be available to the Group and the Company at the end of the reporting period, as follows:

	<b>The Group</b> 2025 %	2024 %	<b>The Company</b> 2025 %	2024 %
Bank loans	5.25	5.25	5.25	5.25

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 17 Provision for restoration costs

<b>The Group</b>	<b>2025</b>	2024
	S\$	S\$
At 1 January	<b>1,084,264</b>	899,389
Provision made	<b>144,632</b>	193,377
Provision reversed	-	(53,692)
Unwinding of discount (Note 24)	<b>51,715</b>	45,190
At 31 December	<b>1,280,611</b>	1,084,264
Represented by:		
- Non-current	<b>610,993</b>	885,662
- Current	<b>669,618</b>	198,602
	<b>1,280,611</b>	1,084,264

The provision for restoration costs relates to the present value of the estimated cost of reinstating the leased outlets and properties to their original condition upon termination of the leases.

## 18 Derivative financial instrument

<b>The Group and the Company</b>	<b>2025</b>	2024
	S\$	S\$
At 1 January	<b>102,314</b>	-
Fair value (gain)/loss recognised in other comprehensive income	<b>(47,077)</b>	102,314
At 31 December	<b>55,237</b>	102,314
Represented by:		
- Non-current	<b>55,237</b>	102,314

The interest rate swap is designated as a cash flow hedge in respect of the Group's bank loan (Note 16).

The fair value of the derivative financial instrument is as follows:

<b>The Group and the Company</b>	Contractual notional amount	Fair value
	S\$	S\$
<b>2025</b>		
Cash flow hedge		
- Interest rate swap	<b>3,128,000</b>	<b>55,237</b>
Represented by:		
- Non-current	<b>3,128,000</b>	<b>55,237</b>
<b>2024</b>		
Cash flow hedge		
- Interest rate swap	5,000,000	102,314
Represented by:		
- Non-current	5,000,000	102,314

Derivative financial instrument is denominated in Singapore dollar.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 19 Trade and other payables

	The Group 2025 S\$	2024 S\$	The Company 2025 S\$	2024 S\$
Trade payables to third parties	1,275,923	1,748,519	88,310	218,789
Amount due to a director (non-trade)	48,016	47,954	-	-
Amounts due to non-controlling interests (non-trade)	2,191,117	320,122	-	-
Amounts due to subsidiaries (non-trade)	-	-	8,751,411	7,336,194
Accrued expenses	2,267,686	2,161,435	419,596	283,133
Deposits received	80,438	28,874	60,801	-
Dividend payable to a non-controlling interest	-	210,000	-	-
Other payables	1,104,397	862,388	57,036	109,058
Financial liabilities at amortised cost	6,967,577	5,379,292	9,377,154	7,947,174
Advances from customers	226,827	298,759	200,812	226,246
Net output taxes	710,294	635,369	9,285	54,050
<b>Total trade and other payables</b>	<b>7,904,698</b>	<b>6,313,420</b>	<b>9,587,251</b>	<b>8,227,470</b>

Trade and other payables are non-interest bearing and have credit period of 30 to 60 days (2024: 30 to 60 days).

The non-trade amounts due to a director, non-controlling interests and subsidiaries, which represent advances from and payments on behalf by the director, non-controlling interests and subsidiaries, are unsecured, interest-free and repayable on demand. As at 31 December 2025, the non-trade amounts due to non-controlling interests comprise an amount of S\$1,870,712 in relation to payments on behalf by a non-controlling interest for renovation works on a new outlet.

Other payables mainly relate to amounts owing to vendors for renovation works, marketing fees and corporate expenses.

Trade and other payables (excluding advances from customers and net output taxes) are denominated in the following currencies:

	The Group 2025 S\$	2024 S\$	The Company 2025 S\$	2024 S\$
Singapore dollar	4,978,117	5,369,977	9,377,154	7,947,174
Malaysian ringgit	1,989,460	9,315	-	-
	<b>6,967,577</b>	<b>5,379,292</b>	<b>9,377,154</b>	<b>7,947,174</b>

## 20 Revenue

	2025 S\$	2024 S\$
<b>The Group</b>		
Revenue from contracts with customers		
- Sale of food and beverages	29,780,851	33,018,855
- Karaoke room charges	10,003,395	10,294,041
- Service charges	4,054,389	4,315,047
- Rendering of live performance services	6,037,265	5,332,352
- Sale of packaged food	913,647	26,293
	<b>50,789,547</b>	<b>52,986,588</b>
<i>Timing of transfer of goods and services in respect of revenue from contracts with customers</i>		
At a point in time	<b>50,789,547</b>	<b>52,986,588</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 21 Other income

<b>The Group</b>	<b>2025</b>	<b>2024</b>
	<b>S\$</b>	<b>S\$</b>
Gain on lease termination	2,874	-
Government grants	552,596	311,346
Marketing incentives	429,676	335,989
Miscellaneous income	41,142	141,752
	<b>1,026,288</b>	<b>789,087</b>

## 22 Staff costs

<b>The Group</b>	<b>2025</b>	<b>2024</b>
	<b>S\$</b>	<b>S\$</b>
Directors' fees	150,000	37,500
Directors' remuneration other than fees		
- Salaries and other related costs	877,927	532,500
- Contributions to defined contribution plan	17,340	17,340
	<b>1,045,267</b>	<b>587,340</b>
Key management personnel (other than directors)		
- Salaries and other related costs	345,778	362,884
- Contributions to defined contribution plan	31,855	29,952
	<b>377,633</b>	<b>392,836</b>
Total key management personnel compensation	<b>1,422,900</b>	<b>980,176</b>
Other than key management personnel		
- Salaries and other related costs	14,453,400	12,458,005
- Contributions to defined contribution plans	877,006	766,242
	<b>15,330,406</b>	<b>13,224,247</b>
Total staff costs	<b>16,753,306</b>	<b>14,204,423</b>

## 23 Other operating expenses

Other operating expenses include the following items:

<b>The Group</b>	<b>2025</b>	<b>2024</b>
	<b>S\$</b>	<b>S\$</b>
Advertising expenses	5,535	3,528
Amortisation of intangible assets (Note 5)	1,643	1,643
Audit fees to auditor of the Company	275,000	280,000
Bad debts	847	19,669
Credit card and payment service fees	1,030,984	1,104,732
Entertainment expenses	100,844	95,892
Freight and delivery charges	53,097	83,286
Impairment losses on right-of-use assets (Note 4)	70,217	-
Internet and networking charges	74,938	71,658
Insurance expense	101,741	58,938
Inventories written off (Note 9)	3,342	-
Legal and professional fees	585,075	280,694
Licensing fees	438,914	505,689
Listing expenses	-	1,123,153
Marketing expenses	2,066,502	2,170,971
Plant and equipment written off	12,040	-
Repairs and maintenance expenses	709,107	640,257
Travel expenses	467,887	384,774
Upkeep of motor vehicles	10,415	6,253
Utilities	1,532,290	1,487,943

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

**24 Finance costs**

<b>The Group</b>	<b>2025</b>	<b>2024</b>
	<b>S\$</b>	<b>S\$</b>
Interest expense on:		
- lease liabilities (Note 15)	<b>849,466</b>	855,534
- bank loans	<b>517,384</b>	507,148
- loans from shareholders	-	9,483
- loan from a third party	-	422
	<b>1,366,850</b>	1,372,587
Unwinding of discount on provision for restoration costs (Note 17)	<b>51,715</b>	45,190
	<b>1,418,565</b>	1,417,777

**25 Taxation**

<b>The Group</b>	<b>2025</b>	<b>2024</b>
	<b>S\$</b>	<b>S\$</b>
Current taxation		
- Current year	<b>765,583</b>	999,016
- Changes in estimates in respect of prior years	<b>102,839</b>	(139,514)
	<b>868,422</b>	859,502
Deferred taxation (Note 7)		
- Origination and reversal of temporary differences	<b>235,262</b>	323,296
- Changes in estimates in respect of prior years	<b>89,114</b>	208,820
	<b>324,376</b>	532,116
	<b>1,192,798</b>	1,391,618

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on profit before taxation as a result of the following:

<b>The Group</b>	<b>2025</b>	<b>2024</b>
	<b>S\$</b>	<b>S\$</b>
Profit before taxation	<b>3,287,047</b>	6,950,149
Tax at Singapore statutory rate of 17% (2024: 17%)	<b>558,798</b>	1,181,525
Effect of different tax rates in foreign jurisdictions	<b>(57,219)</b>	(3,283)
Tax effect on non-deductible expenses	<b>648,753</b>	590,453
Tax exemptions and rebates	<b>(142,763)</b>	(418,284)
Deferred tax assets on temporary differences not recognised	<b>27,334</b>	10,417
Changes in estimates of current taxation in respect of prior years	<b>102,839</b>	(139,514)
Changes in estimates of deferred taxation in respect of prior years	<b>89,114</b>	208,820
Others	<b>(34,058)</b>	(38,516)
	<b>1,192,798</b>	1,391,618

Non-deductible expenses mainly relate to depreciation of non-qualifying plant and equipment.

Singapore

The corporate income tax rate applicable to the Company and its Singapore-incorporated subsidiaries is 17% (2024: 17%) for the financial year ended 31 December 2025.

Malaysia

The corporate income tax rate applicable to the Malaysia-incorporated subsidiaries is 24% (2024: 24%) for the financial year ended 31 December 2025.

As at 31 December 2025, the Group has unused tax losses of approximately S\$1,998,114 (2024: S\$1,837,326) which are allowed to be carried forward and used to offset against future taxable profits of the subsidiaries in which the tax losses arose, subject to agreement by the tax authority and compliance with the applicable tax regulations in Singapore in which the Company and its subsidiaries operate. Deferred tax assets have not been recognised due to the uncertainty whether future taxable profits will be available against which the Company and its subsidiaries can utilise the benefits. The unused tax losses have no expiry date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 26 Earnings per share

The calculation of basic and diluted earnings per share is based on the profit or loss attributable to ordinary shareholders, as follows:

	2025 S\$	2024 S\$
Profit attributable to ordinary shareholders	<b>1,690,630</b>	4,409,817

### Weighted average number of ordinary shares (basic and diluted)

The weighted average number of ordinary shares outstanding during the financial year ended 31 December 2024 was adjusted for the effect of the sub-division of ordinary shares, as disclosed in Note 12 to the financial statements.

	2025	2024
Issued ordinary shares at beginning of year	<b>400,000,000</b>	356,750,000
Effect of ordinary shares issued during the year	-	5,435,792
Effect of treasury shares acquired during the year	<b>(1,371,272)</b>	-
Weighted average number of ordinary shares	<b>398,628,728</b>	362,185,792

The diluted earnings per share is the same as the basic earnings per share as the Group does not have dilutive potential ordinary shares during the financial years ended 31 December 2025 and 31 December 2024.

## 27 Significant related party transactions

Other than as disclosed elsewhere in the financial statements, transactions with related parties based on terms agreed between parties are as follows:

<b>The Group</b>	2025 S\$	2024 S\$
Sale of goods to related companies	-	19,520
Purchase of goods and services from related companies	<b>(51,651)</b>	(19,358)
Purchase of right-of-use assets from a related company	-	(412,500)
Rental of a staff apartment paid/payable to the Executive Director of the Company	<b>(78,000)</b>	-
Rental of an office premise paid/payable to a related company	<b>(40,500)</b>	(62,283)

The related companies are companies of which the Executive Director and Chief Executive Officer or the Vice Chairman and Non-Executive Director of the Company is a director or controlling shareholder.

The directors are of the opinion that the related party transactions have been entered in normal course of businesses and have been established on terms and conditions that are not materially different from those obtainable in transactions with third parties.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 28 Leases

Where the Group and the Company are the lessee,

The Group leases outlets for the purpose of operation of karaoke lounges, multi-entertainment venues and restaurants. The leases typically run for a period of two to six years, with option to renew the leases. Lease payments are renegotiated every few years to reflect market rentals. There are no externally imposed covenants on the lease arrangements. The Group also leases office premises, staff apartments and two property units for its food manufacturing factory for a period of two to three years.

Information about leases for which the Group and the Company are a lessee is presented in Note 4 and Note 15 to the financial statements.

Amounts recognised in profit or loss under SFRS(I) 16 are as follows:

<b>The Group</b>	<b>2025</b> S\$	2024 S\$
Interest expense on lease liabilities (Note 24)	<b>849,466</b>	855,534

## 29 Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different marketing strategies.

For each of the strategic business unit, the Company's Executive Director and Chief Executive Officer, who is the chief operating decision maker, monitors the operating results for the purpose of making decisions about resource allocation and performance assessment. The Company's Executive Director and Chief Executive Officer reviews internal management reports at least on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- (i) Karaoke segment comprises the operation of karaoke lounges and a multi-entertainment venue, which includes karaoke room and service charges and related sale of food and beverages.
- (ii) Live show segment comprises the operation of multi-entertainment concept of a mega live performance venue.
- (iii) Food and beverages segment comprises the operation of Japanese, café and bistro restaurants.
- (iv) Manufacturing segment comprises the operation of a central kitchen which procures, processes and prepares key ingredients and products for supply to third-party food outlets.

There are no operating segments that have been aggregated to form the above reportable operating segments.

Other operations relate to general corporate activities and others.

Information regarding the results of each reportable segment is included in the following tables. Performance is measured based on segment profit or loss (before taxation and unallocated expenses), as included in the internal management reports that are reviewed by the Company's Executive Director and Chief Executive Officer, which in certain respects, as explained in the following tables, is different from profit or loss in the consolidated financial statements. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The Group's income taxes are not allocated to operating segments.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 29 Operating segments (cont'd)

	Karaoke		Live show		Food and beverages		Manufacturing		Others (unallocated)		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Segment revenue</b>	<b>27,795,339</b>	<b>28,305,136</b>	<b>20,499,419</b>	<b>24,501,273</b>	<b>2,153,702</b>	<b>153,886</b>	<b>341,087</b>	<b>26,293</b>	<b>-</b>	<b>-</b>	<b>50,789,547</b>	<b>52,986,588</b>
External revenue												
<b>Results</b>												
Segment results before depreciation, interest and taxation	10,781,699	12,274,649	5,124,567	7,414,690	506,395	(106,660)	(105,894)	(189,071)	-	(1,123,153)	16,306,767	18,270,455
Amortisation of intangible assets	(1,643)	(1,643)	-	-	-	-	-	-	-	-	(1,643)	(1,643)
Depreciation of plant and equipment	(3,171,035)	(2,890,420)	(733,345)	(871,992)	(111,134)	(9,955)	(131,701)	(20,709)	-	-	(4,147,215)	(3,793,076)
Depreciation of right-of-use assets	(5,777,726)	(5,370,075)	(1,107,823)	(605,168)	(393,286)	(74,745)	(173,462)	(57,821)	-	-	(7,452,297)	(6,107,809)
Finance costs	(541,706)	(727,351)	(285,232)	(159,471)	(70,976)	(12,504)	(3,267)	(1,399)	(517,384)	(517,053)	(1,418,565)	(1,417,772)
<b>Profit/(Loss) before taxation</b>	<b>1,289,589</b>	<b>3,285,160</b>	<b>2,998,167</b>	<b>5,778,059</b>	<b>(69,001)</b>	<b>(203,864)</b>	<b>(414,324)</b>	<b>(269,000)</b>	<b>(517,384)</b>	<b>(1,640,206)</b>	<b>3,287,047</b>	<b>6,950,149</b>
Taxation											<b>(1,192,798)</b>	<b>(1,391,618)</b>
<b>Profit for the year</b>											<b>2,094,249</b>	<b>5,558,531</b>
Total assets	30,462,942	39,169,840	21,200,330	11,865,158	4,683,377	1,712,184	1,060,398	1,126,937	52,791	52,791	57,459,838	53,926,910
Additions to non-current assets*	7,075,744	2,809,504	9,314,326	3,319,695	2,783,409	1,509,564	86,589	1,054,414	-	-	19,260,068	8,693,177
Total liabilities	12,074,932	13,830,735	12,725,608	5,832,819	3,272,270	1,293,097	169,813	298,403	8,890,763	10,397,975	37,133,386	31,653,029

\* Comprise plant and equipment, right-of-use assets and intangible assets, and exclude deferred tax assets and long-term deposits

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 29 Operating segments (cont'd)

**Reconciliation of segment amounts to financial statements**

	2025	2024
	S\$	S\$
<b>Revenue</b>		
Total revenue for reportable segments	50,789,547	52,986,588
Consolidated revenue	50,789,547	52,986,588
<b>Profit or loss before taxation</b>		
Total profit before taxation for reportable segments	3,804,431	8,590,355
Other corporate expenses	(517,384)	(1,640,206)
Consolidated profit before taxation	3,287,047	6,950,149
<b>Assets</b>		
Total assets for reportable segments	57,407,047	53,874,119
Other unallocated assets	52,791	52,791
Consolidated total assets	57,459,838	53,926,910
<b>Liabilities</b>		
Total liabilities for reportable segments	28,242,623	21,255,054
Unallocated borrowings	5,914,468	8,926,364
Other unallocated liabilities	2,976,295	1,471,611
Consolidated total liabilities	37,133,386	31,653,029

**Geographical information**

The Group's revenue arises from external customers located in Singapore. Non-current assets comprise plant and equipment, right-of-use assets and intangible assets, and exclude deferred tax assets and long-term deposits. Non-current assets are shown by the geographical area in which the assets are located.

	<u>Non-current assets</u>	
	2025	2024
	S\$	S\$
<u>Principal markets</u>		
Singapore	27,506,284	28,854,356
Malaysia	11,970,677	89,008
	39,476,961	28,943,364

**Major customers**

Due to the diverse base of individual customers to which the Group sells products and renders services in each reporting period, the Group is not reliant on any customer for its revenue and no single customer has accounted for ten percent or more of the Group's total revenue for each reporting period.

## 30 Financial risk management objectives and policies

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 30 Financial risk management objectives and policies (cont'd)

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. Market risk exposures are measured using sensitivity analysis for interest rate risk (Note 30.3) and foreign currency risk (Note 30.4).

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

### 30.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group and the Company to incur a financial loss. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Group and the Company adopt the practice of dealing only with customers of appropriate credit history. For other financial assets, the Group and the Company adopt the policy of dealing only with high credit quality counterparties.

The Group's and the Company's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group and the Company have established a credit policy under which the creditworthiness of each new customer is evaluated individually before the Group and the Company grant credit to the customer. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the director. Payments will be required to be made upfront by customers which do not meet the Group's and the Company's credit requirements.

Amounts due from customers are closely monitored and reviewed on a regular basis to identify any non-payment or delay in payment, and to understand the reasons, so that appropriate actions can be taken promptly. Through on-going credit monitoring and existing collection procedures in place, credit risk is mitigated substantially.

Amount not paid after the credit period granted will be considered past due. The credit terms granted to customers are based on the Group's and the Company's assessment of their creditworthiness and in accordance with the Group's and the Company's policy.

The Group and the Company have trade and other receivables and cash and bank deposits that are subject to impairment under the expected credit loss ("ECL") model. While other receivables and cash and bank deposits are subject to the impairment requirements of SFRS(I) 9 *Financial Instruments*, the identified impairment loss is insignificant.

#### **Trade receivables**

The Group and the Company apply the SFRS(I) 9 simplified approach to measuring ECLs which uses a lifetime ECL allowance for all trade receivables.

To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade receivables. The Group and the Company have identified the gross domestic product of the countries in which they operate to be the most relevant factors and accordingly adjust the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Group and the Company.

#### **Deposits**

Security deposits for rental of outlets and utilities are placed with landlords and service providers which are creditworthy. At the end of the reporting period, no loss allowance for deposits is required.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 30 Financial risk management objectives and policies (cont'd)

### 30.1 Credit risk (cont'd)

#### Other receivables

Loss allowance for other receivables is measured at an amount equal to 12-month ECLs. The ECLs on other receivables are estimated by reference to the payment history and the track record of the counterparties, their businesses and financial conditions where information is available, and knowledge of any events or circumstances impeding recovery of the amount, and assessment of the current and future wider economic condition and outlook of the industry in which the counterparty operates. At the end of the reporting period, no loss allowance for other receivables is required.

#### Amounts due from subsidiaries (non-trade)

The non-trade amounts due from subsidiaries are considered to have low credit risk as the Company has control over the operating, investing and financing activities of its subsidiaries. The use of advances to assist with the subsidiaries' cash flow management is in line with the Group's capital management. There has been no significant increase in the credit risk of the non-trade amounts due from subsidiaries since initial recognition.

In determining the ECLs, management has taken into account the financial position of the subsidiaries and a forward-looking analysis of the financial performance of operations of the subsidiaries. In respect of the non-trade amounts due from subsidiaries which are repayable on demand, management has considered the availability of accessible and highly liquid assets of the subsidiaries for repayment if they are demanded at the end of the reporting period.

At the end of the reporting period, loss allowance of \$S\$1,048,953 (2024: \$S\$145,300) is required for the non-trade amounts due from certain subsidiaries, which are credit-impaired.

#### Cash and bank deposits

Bank deposits are held with banks which are regulated. Impairment on cash and bank deposits has been measured on the 12-month ECL basis and reflects the short maturities of the exposures. The Group and the Company consider that their cash and bank deposits have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and bank deposits is negligible.

#### Exposure to credit risk

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, except for letters of financial support and corporate guarantees issued by the Company to and on behalf of subsidiaries.

The current interest rates charged by the banks on the borrowings of the subsidiaries are at market rates and are consistent with the borrowing costs of the subsidiaries without any corporate guarantee.

There has been no default in repayment or terms and conditions since the utilisation of the banking facilities. At the end of the reporting period, the Company does not consider it probable that a claim will be made against it under the corporate guarantees.

To mitigate credit risk arising from corporate guarantees, management continually monitors the risk and has established processes including performing credit evaluations of the parties for which the Group provides corporate guarantees. Corporate guarantees are only for intra-group financing purposes and given by the Company on behalf of its subsidiaries.

The Group's and the Company's major classes of financial assets are trade and other receivables (excluding net input taxes) and cash and bank deposits. Cash is held with established financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 8.

### 30.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 30 Financial risk management objectives and policies (cont'd)

## 30.2 Liquidity risk (cont'd)

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

The Group	Carrying amount S\$	Contractual undiscounted cash flows S\$	Less than 1 year S\$	Between 1 and 5 years S\$	More than 5 years S\$
<b>2025</b>					
<u>Non-derivative financial liabilities</u>					
Lease liabilities (Note 15)	20,343,804	22,665,004	7,915,753	13,098,745	1,650,506
Borrowings (Note 16)	5,914,468	6,343,264	3,754,280	2,588,984	-
Trade and other payables * (Note 19)	6,967,577	6,967,577	6,967,577	-	-
	<b>33,225,849</b>	<b>35,975,845</b>	<b>18,637,610</b>	<b>15,687,729</b>	<b>1,650,506</b>
<b>2024</b>					
<u>Non-derivative financial liabilities</u>					
Lease liabilities (Note 15)	13,857,370	14,812,593	7,243,283	7,569,310	-
Borrowings (Note 16)	8,926,364	9,835,162	3,704,851	6,130,311	-
Trade and other payables * (Note 19)	5,379,292	5,379,292	5,379,292	-	-
	<b>28,163,026</b>	<b>30,027,047</b>	<b>16,327,426</b>	<b>13,699,621</b>	<b>-</b>
<b>The Company</b>					
<b>2025</b>					
<u>Non-derivative financial liabilities</u>					
Lease liabilities (Note 15)	450,653	484,135	176,049	308,086	-
Borrowings (Note 16)	4,304,550	4,555,360	3,045,186	1,510,174	-
Trade and other payables * (Note 19)	9,377,154	9,377,154	9,377,154	-	-
	<b>14,132,357</b>	<b>14,416,649</b>	<b>12,598,389</b>	<b>1,818,260</b>	<b>-</b>
Intra-group financial guarantees	1,119,524	1,256,434	434,124	822,310	-
<b>2024</b>					
<u>Non-derivative financial liabilities</u>					
Lease liabilities (Note 15)	114,522	121,500	54,000	67,500	-
Borrowings (Note 16)	6,517,932	7,084,523	2,751,500	4,333,023	-
Trade and other payables * (Note 19)	7,947,174	7,947,174	7,947,174	-	-
	<b>14,579,628</b>	<b>15,153,197</b>	<b>10,752,674</b>	<b>4,400,523</b>	<b>-</b>
Intra-group financial guarantees	1,600,559	1,840,906	584,472	1,256,434	-

\* Excluding advances from customers and net output taxes

It is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

The Group and the Company ensure that there are adequate funds to meet all their obligations in a timely and cost-effective manner. The Group and the Company maintain sufficient levels of cash and bank deposits and have available amount of committed credit facilities from banks to meet their working capital requirements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

**30 Financial risk management objectives and policies (cont'd)****30.2 Liquidity risk (cont'd)**

The table below analyses the derivative financial instrument of the Group and the Company and its contractual undiscounted cash flows based on the remaining period from the end of the reporting period to the contractual maturity date.

<b>The Group and the Company</b>	Between 1 and 5 years S\$
<b>2025</b>	
<u>Net settled liability</u>	
Interest rate swap (Note 18)	<b>55,237</b>
<b>2024</b>	
<u>Net settled liability</u>	
Interest rate swap (Note 18)	102,314

**30.3 Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from a bank loan at floating rate. The Group and the Company manage the interest rate risk using a floating-to-fixed interest rate swap. Lease liabilities and certain borrowings bear interest at fixed rates. All other financial assets and liabilities are interest-free.

At the end of the reporting period, the carrying amount of the interest-bearing financial instruments is as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>S\$</b>	S\$	<b>S\$</b>	S\$
<b>Fixed rate instruments</b>				
Financial liabilities				
- lease liabilities (Note 15)	<b>(20,343,804)</b>	(13,857,370)	<b>(450,653)</b>	(114,522)
- borrowings	<b>(2,786,468)</b>	(3,926,364)	<b>(1,176,550)</b>	(1,517,932)
	<b>(23,130,272)</b>	(17,783,734)	<b>(1,627,203)</b>	(1,632,454)
<b>Variable rate instruments</b>				
Financial liabilities				
- borrowing	<b>(3,128,000)</b>	(5,000,000)	<b>(3,128,000)</b>	(5,000,000)

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not have any fixed rate financial assets or liabilities at FVTPL. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Group and the Company manage their exposure to change in interest rate on a bank loan by entering into an interest rate swap to exchange the variable interest rate to fixed rate. At the end of the reporting period, the interest rate swap has a contractual notional amount of S\$3,128,000 (2024: S\$5,000,000), whereby it pays fixed interest and receives variable interest pegged to the Singapore Overnight Rate Average. The Group and the Company classify the interest rate swap as a cash flow hedge. The interest rate swap matures in three years. The notional amount and maturity of the interest rate swap are the same as the bank loan.

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular, foreign currency rates, remain constant.

The Group's and the Company's policy is to obtain the most favourable interest rates available without increasing their interest rate exposure.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 30 Financial risk management objectives and policies (cont'd)

### 30.4 Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises when transactions are denominated in foreign currencies.

As there are no significant transactions that are denominated in a currency other than the respective functional currencies of group entities, namely Singapore dollar for the Company and its subsidiaries incorporated in Singapore and Malaysia ringgit for its subsidiary incorporated in Malaysia, the Group and the Company are not exposed to any significant foreign currency risk.

### 30.5 Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group and the Company do not hold any quoted or marketable financial instruments, hence, are not exposed to any movement in market prices.

## 31 Financial instruments

### Accounting classifications of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

<b>The Group</b>	Financial assets at amortised cost S\$	Financial liabilities at amortised cost S\$	Cash flow hedging instrument at fair value S\$	Total S\$
<b>2025</b>				
<u>Financial assets</u>				
Trade and other receivables * (Note 8)	5,893,032	-	-	5,893,032
Cash and bank deposits (Note 11)	10,162,482	-	-	10,162,482
	<b>16,055,514</b>	-	-	<b>16,055,514</b>
<u>Financial liabilities</u>				
Lease liabilities (Note 15)	-	20,343,804	-	20,343,804
Borrowings (Note 16)	-	5,914,468	-	5,914,468
Derivative financial instrument (Note 18)	-	-	55,237	55,237
Trade and other payables # (Note 19)	-	6,967,577	-	6,967,577
	-	<b>33,225,849</b>	<b>55,237</b>	<b>33,281,086</b>
<b>2024</b>				
<u>Financial assets</u>				
Trade and other receivables * (Note 8)	4,229,988	-	-	4,229,988
Cash and bank deposits (Note 11)	18,807,337	-	-	18,807,337
	<b>23,037,325</b>	-	-	<b>23,037,325</b>
<u>Financial liabilities</u>				
Lease liabilities (Note 15)	-	13,857,370	-	13,857,370
Borrowings (Note 16)	-	8,926,364	-	8,926,364
Derivative financial instrument (Note 18)	-	-	102,314	102,314
Trade and other payables # (Note 19)	-	5,379,292	-	5,379,292
	-	<b>28,163,026</b>	<b>102,314</b>	<b>28,265,340</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 31 Financial instruments (cont'd)

## Accounting classifications of financial assets and financial liabilities (cont'd)

<b>The Company</b>	Financial assets at amortised cost S\$	Financial liabilities at amortised cost S\$	Cash flow hedging instrument at fair value S\$	Total S\$
<b>2025</b>				
<u>Financial assets</u>				
Trade and other receivables * (Note 8)	17,392,730	-	-	17,392,730
Cash and bank deposits (Note 11)	1,654,789	-	-	1,654,789
	<b>19,047,519</b>	<b>-</b>	<b>-</b>	<b>19,047,519</b>
<u>Financial liabilities</u>				
Lease liabilities (Note 15)	-	450,653	-	450,653
Borrowings (Note 16)	-	4,304,550	-	4,304,550
Derivative financial instrument (Note 18)	-	-	55,237	55,237
Trade and other payables # (Note 19)	-	9,377,154	-	9,377,154
	<b>-</b>	<b>14,132,357</b>	<b>55,237</b>	<b>14,187,594</b>
<b>2024</b>				
<u>Financial assets</u>				
Trade and other receivables * (Note 8)	12,697,410	-	-	12,697,410
Cash and bank deposits (Note 11)	9,976,376	-	-	9,976,376
	<b>22,673,786</b>	<b>-</b>	<b>-</b>	<b>22,673,786</b>
<u>Financial liabilities</u>				
Lease liabilities (Note 15)	-	114,522	-	114,522
Borrowings (Note 16)	-	6,517,932	-	6,517,932
Derivative financial instrument (Note 18)	-	-	102,314	102,314
Trade and other payables # (Note 19)	-	7,947,174	-	7,947,174
	<b>-</b>	<b>14,579,628</b>	<b>102,314</b>	<b>14,681,942</b>

\* Excluding net input taxes

# Excluding advances from customers and net output taxes

**Fair value hierarchy**

Financial assets and financial liabilities measured or disclosed at fair value in the statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

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 assets or liability that are not based on observable market data (unobservable inputs).

**Fair values**

The face value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, comprising trade and other receivables (excluding net input taxes), cash and bank deposits, lease liabilities, borrowings (which are short-term or repayable on demand), and trade and other payables (excluding advances from customers and net output taxes), are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group and the Company for similar financial instruments.

The fair value disclosure of lease liabilities is not required.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 31 Financial instruments (cont'd)

## Fair values (cont'd)

## Fair values of financial instruments

<b>The Group and the Company</b>	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
<b>2025</b>				
<i>Financial liabilities</i>				
Derivative financial instrument	-	<b>55,237</b>	-	<b>55,237</b>
<b>2024</b>				
<i>Financial liabilities</i>				
Derivative financial instrument	-	102,314	-	102,314

The following table shows the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between key unobservable inputs and fair value measurement</u>
<i>Derivative financial instrument (Level 2)</i> The fair value of the interest rate swap is determined from information provided by a financial institution based on the quoted forward interest rate.	Not applicable	Not applicable

## Financial assets and liabilities not measured at fair value but for which fair values are disclosed \*

<b>The Group</b>	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
<b>2025</b>				
Bank loans	-	<b>6,009,548</b>	-	<b>6,009,548</b>
<b>2024</b>				
Bank loans	-	9,099,910	-	9,099,910
<b>The Company</b>				
<b>2025</b>				
Bank loans	-	<b>4,344,596</b>	-	<b>4,344,596</b>
<b>2024</b>				
Bank loans	-	6,558,491	-	6,558,491

\* Exclude financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term or repayable on demand nature and where the effect of discounting is immaterial

The carrying amounts of interest-bearing loans that reprice within six months of the end of the reporting period approximate their fair values. The fair values of all other interest-bearing loans are calculated based on discounted expected future principal and interest cash flows.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

**32 Capital management**

The Group's and the Company's objectives when managing capital are:

- (a) To safeguard the Group's and the Company's ability to continue as going concern;
- (b) To support the Group's and the Company's stability and growth;
- (c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and
- (d) To provide an adequate return to shareholders.

The Group and the Company actively and regularly review and manage their capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company, and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are not subject to externally imposed capital requirements.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises lease liabilities, borrowings and trade and other payables, less cash and bank deposits. Total capital represents equity attributable to owners of the Company.

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>S\$</b>	S\$	<b>S\$</b>	S\$
Lease liabilities (Note 15)	<b>20,343,804</b>	13,857,370	<b>450,653</b>	114,522
Borrowings (Note 16)	<b>5,914,468</b>	8,926,364	<b>4,304,550</b>	6,517,932
Trade and other payables (Note 19)	<b>7,904,698</b>	6,313,420	<b>9,587,251</b>	8,227,470
Total debt	<b>34,162,970</b>	29,097,154	<b>14,342,454</b>	14,859,924
Less: Cash and bank deposits (Note 11)	<b>(10,162,482)</b>	(18,807,337)	<b>(1,654,789)</b>	(9,976,376)
Net debt	<b>24,000,488</b>	10,289,817	<b>12,687,665</b>	4,883,548
Equity attributable to owners of the Company	<b>17,997,437</b>	20,103,537	<b>16,302,707</b>	18,796,275
Total capital and net debt	<b>42,477,925</b>	30,393,354	<b>28,990,372</b>	23,679,823
Gearing ratio	<b>57%</b>	34%	<b>44%</b>	21%

**33 Dividends**

<b>The Group and the Company</b>	<b>2025</b>	2024
	<b>S\$</b>	S\$
Final tax-exempt (one-tier) dividend of S\$0.0075 per share in respect of the previous financial year	<b>3,000,000</b>	-

# STATISTICS OF THE SHAREHOLDINGS

AS AT 18 MARCH 2026

## ISSUED AND FULLY PAID-UP CAPITAL

TOTAL NUMBER OF SHARES ISSUED (INCLUDING TREASURY SHARES AND SUBSIDIARY HOLDINGS)	:	400,000,000
NUMBER OF SHARES ISSUED (EXCLUDING TREASURY SHARES AND SUBSIDIARY HOLDINGS)	:	395,162,600
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE VOTE PER SHARE
NUMBER OF TREASURY SHARES	:	4,837,400
NUMBER OF SUBSIDIARY HOLDINGS HELD	:	NIL

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1-99	0	0	0	0.00
100-1,000	6	6.19%	2,500	0.00%
1,001-10,000	14	14.43%	99,100	0.03%
10,001-1,000,000	65	67.01%	12,285,800	3.11%
1,000,001 & above	12	12.37%	382,775,200	96.86%
<b>TOTAL</b>	<b>97</b>	<b>100.00%</b>	<b>395,162,600</b>	<b>100.00%</b>

## TOP TWENTY SHAREHOLDERS

	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1	KGI SECURITIES (SINGAPORE) PTE. LTD	231,226,519	58.51
2	LU MANG	113,538,957	28.73
3	CGS INTERNATIONAL SECURITIES SINGAPORE PTE LTD	12,823,800	3.25
4	CITIBANK NOMINEES SINGAPORE PTE LTD	7,160,500	1.81
5	ICH CAPITAL PTE LTD	4,543,900	1.15
6	DBS VICKERS SECURITIES (S) PTE LTD	4,150,000	1.05
7	ASDEW ACQUISITIONS PTE LTD	3,599,400	0.91
8	WANG GUANGWU	3,002,924	0.76
9	YEAP WEN CHINQ	2,156,100	0.55
10	NG SEENG EENG	1,710,500	0.43
11	TEO TAT BENG	1,400,000	0.35
12	NG THIAM CHIN (HUANG TIANJIN)	1,250,000	0.32
13	KHOO PER ERN	1,050,000	0.27
14	CHU CHEE KEONG (ZHU ZHIQIANG)	1,000,000	0.25
15	GAY SOON WATT	1,000,000	0.25
16	KIT HONG SENG	750,000	0.19
17	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	543,000	0.14
18	DBS NOMINEES PTE LTD	520,200	0.13
19	ISABELLE LEOW JAY MIN	500,000	0.13
20	LEE KONG ENG	500,000	0.13
		<b>392,425,800</b>	<b>99.31</b>

# STATISTICS OF THE SHAREHOLDINGS

AS AT 18 MARCH 2026

## SUBSTANTIAL SHAREHOLDERS

(as shown in the Company's register of Substantial Shareholders)

NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST		DEEMED INTEREST	
	No. of shares	% <sup>(1)</sup>	No. of shares	% <sup>(1)</sup>
GOODWILL INVESTMENT HOLDINGS 2023 PTE. LTD.	142,699,924	36.11	-	-
LU MANG <sup>(2)</sup>	113,538,957	28.73	142,699,924	36.11
MENGKIM HOLDINGS PTE. LTD.	75,099,724	19.00	-	-
THANG TECK JONG <sup>(3)</sup>	0.00	0.00	75,099,724	19.00
KONG LING TING @ KANG LING TING <sup>(4)</sup>	0.00	0.00	75,099,724	19.00

(1) The shareholding percentage is calculated based on the Company's total number of issued share capital (excluding treasury shares) of 395,162,600 ordinary shares.

(2) Mr. Lu Mang is the sole shareholder of Goodwill Investment Holdings 2023 Pte. Ltd. ("GIH2023"), and pursuant to Section 4 of the SFA, he is deemed to be interested in the Shares held by GIH2023.

(3) Mr. Thang Teck Jong has an interest in 90.0% of the shares in Mengkim Holdings Pte. Ltd. ("Mengkim"), and pursuant to Section 4 of the SFA, he is deemed to be interested in the Shares held by Mengkim. Mr. Thang Teck Jong is the spouse of Ms. Kong Ling Ting @ Kang Ling Ting.

(4) Ms. Kong Ling Ting @ Kang Ling Ting has an interest in 10.0% of the shares in Mengkim, and pursuant to Section 4 of the SFA, she is deemed to be interested in the Shares held by Mengkim. Ms. Kong Ling Ting @ Kang Ling Ting is the spouse of Mr. Thang Teck Jong.

## Public Shareholdings

Based on the information available to the Company as at 18 March 2026, approximately 15.10% of the Company's issued ordinary shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Singapore Exchange Securities Trading Limited Listing Manual Section B : Rules of Catalyst.

## NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting ("**AGM**") of Goodwill Entertainment Holding Limited (the "**Company**") will be held at 201 Victoria Street, Bugis+ #07-05/06 Singapore 188067 on Wednesday, 29 April 2026 at 1:00 p.m., for the following purposes:

### As Ordinary Business

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2025 together with the Directors' Statement and Independent Auditors' Report thereon. **(Resolution 1)**
2. To approve the payment of Directors' fees of S\$150,000 for the financial year ending 31 December 2026, payable quarterly in arrears. **(Resolution 2)**
3. To re-appoint Foo Kon Tan LLP as Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 3)**
4. To transact any other ordinary business which may properly be transacted at an AGM.

### As Special Business

To consider and if deemed fit to pass the following Ordinary Resolution with or without modifications:

#### 5. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and Rule 806 of the Catalist Rules authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instruments convertible into Shares;

at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit and,

- (b) notwithstanding the authority conferred by this Resolution, issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

# NOTICE OF THE ANNUAL GENERAL MEETING

PROVIDED ALWAYS THAT:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred percent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date of this resolution in force;
- (2) subject to such calculation and adjustments as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (i) new Shares arising from the conversion or exercise of any convertible securities;
  - (ii) new Shares arising from exercising of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution for the time being of the Company; and
- (4) such 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 earlier, unless revoked or varied by the Company in a general meeting.

*[Explanatory Note (i)]*

**(Resolution 4)**

## NOTICE OF THE ANNUAL GENERAL MEETING

### 6. Proposed Renewal of the Share Buyback Mandate

That:

(a) for the purposes of the Catalist Rules and the Companies Act, and such other laws and regulations as may for the time being be applicable, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) on-market purchases (each a "**Market Purchase**") transacted on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the directors of the Company as they consider fit, such scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules,

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

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution relating to the Share Buyback Mandate and expiring on the earliest of:

- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (ii) the date on which Share Buybacks have been carried out to the full extent of the Share Buyback Mandate; or
- (iii) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting;

(c) in this Resolution relating to the Share Buyback Mandate:

"**Prescribed Limit**" means that number of Shares representing not more than 10% of the total number of issued ordinary Shares (excluding treasury shares and subsidiary holdings, if any) of the Company as at the date of the passing of this Resolution in relation to the Share Buyback Mandate;

## NOTICE OF THE ANNUAL GENERAL MEETING

“**Maximum Price**” in relation to a Share to be purchased, means the purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase: 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme: 120% of the Average Closing Price;

“**Average Closing Price**” is the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-market day period;

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“**Market Day**” means a day on which the SGX-ST is open for trading in securities;

- (d) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors of the Company; either be cancelled or held in treasury and dealt with in accordance with the Companies Act; and
- (e) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including without limitation, executing such documents as may be required and to approve any amendments, alteration or modifications to any documents) as they may consider desirable, expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution in relation to the Share Buyback Mandate.

*[Explanatory Note (ii)]*

**(Resolution 5)**

### BY ORDER OF THE BOARD

**Katherine Tan Jing Yu**  
Company Secretary

15 April 2026  
Singapore

# NOTICE OF THE ANNUAL GENERAL MEETING

## Explanatory Notes:

- (i) Resolution 4 above, if passed, will empower the Directors of the Company, effective from the date of this Annual General Meeting 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue shares pursuant to such Instruments, up to a number not exceeding in total 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), of which the total number of Shares issued other than a pro rata basis to existing Shareholders of the Company, shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any).
- (ii) Resolution 5 above, if passed, will empower the Directors of the Company during the Relevant Period to purchase or otherwise acquire by way of Market Purchases or Off-Market Purchases, Shares up to the Maximum Percentage of Shares, subject always to the free float requirements being complied with and on the terms of the Share Buyback Mandate as set out in Resolution 5 and the Appendix. An illustration on the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate based on the audited financial statements of the Group for the financial year ended 31 December 2025 is set out in the Appendix to the annual report for the financial year ended 31 December 2025 dated 15 April 2026 (the "Appendix").

## Notes:

1. The members of the Company are invited to attend physically at the Annual General Meeting. There will be no option for shareholders to participate virtually. Printed copies of this notice of AGM, the Proxy Form, and the Request Form (to request for the Annual Report and the Appendix) will be sent by post to members. This notice, the Proxy Form, the Annual Report and Appendix are also available on the Company's corporate website ([www.goodwillsg.com](http://www.goodwillsg.com)) and the SGXNet ([www.sgx.com/securities/company-announcements](http://www.sgx.com/securities/company-announcements)). A member will need an internet browser and PDF reader to view these documents.
2. Please bring along your NRIC/passport so as to enable the Company to verify your identity.
3. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") and wishes to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes at least seven (7) working days before the Annual General Meeting (i.e. 1:00 p.m. on 20 April 2026).
4.
  - (i) A member who is not a Relevant Intermediary, entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead at the Annual General Meeting of the Company. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the form of proxy. A proxy need not be a member of the Company.
  - (ii) A member who is a Relevant Intermediary may appoint one or more proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.

\*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, 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.
5. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

## NOTICE OF THE ANNUAL GENERAL MEETING

6. A member can appoint the Chairman of the Annual General Meeting as his/her/its proxy but this is not mandatory.

If a member wishes to appoint the Chairman of the Annual General Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Annual General Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy. The appointment of the Chairman of the Annual General Meeting as proxy for that resolution will be treated as invalid.

The instrument appointing a proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the proxy form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. The instrument appointing a proxy must be submitted to the Company in the following manner:
- (a) if sent personally or by post, be deposited at the office of Company's Share Registrar, B.A.C.S. Private Limited, located at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
  - (b) if submitted electronically, be submitted via email to the Company's Share Registrar, B.A.C.S. Private Limited at [main@zicoholdings.com](mailto:main@zicoholdings.com),

in either case, by 1:00 p.m. on Sunday, 26 April 2026, no later than seventy-two (72) hours before the time appointed for holding the Annual General Meeting, and in default the instrument of proxy shall not be treated as valid.

**Members are strongly encouraged to submit completed proxy forms electronically via email.**

8. **Submission of questions prior to the AGM**

A member may ask question relating to the item on the agenda of the Annual General Meeting:-

- (a) at the Annual General Meeting;
- (b) submitting question via mail to the Company's registered office at 10 Kallang Avenue #13-13 Aperia Tower 2 Singapore 339510; or
- (c) submitting question via email to [events@goodwillsg.com](mailto:events@goodwillsg.com).

All questions must be submitted within seven (7) calendar days from the date of this Notice (i.e., by 1.00 p.m. on Wednesday, 22 April 2026 ("Cut-Off Time").

Shareholders submitting questions are required to state their full name as it appears on his/her/its Central Depository (Pte) Limited ("CDP")/Supplementary Retirement Scheme ("SRS") share records, contact number and NRIC/Passport/UEN number and state the manner in which he/she/it holds his/her/its shares in the company (e.g. via CDP, SRS and/or physical scrip) for verification purposes, failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.

Shareholders are encouraged to submit their questions before the Cut-Off Time as this will allow the Company sufficient time to address and respond to these questions on or before 1:00 p.m., Friday, 24 April 2026 (forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms). The responses will be published on (i) the SGX's website; and (ii) the Company's corporate website, or if answered during the AGM, will be included in the minutes of the AGM which shall be published on the SGXNet and the Company's website within one month after the date of AGM.

# NOTICE OF THE ANNUAL GENERAL MEETING

## Personal data privacy:

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM of the Company in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of the Chairman as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions, (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities, and (v) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This notice has been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice. The details of the contact person for the Sponsor are:

Name: Mr Jerry Chua (Registered Professional, Evolve Capital Advisory Private Limited)  
Address: 160 Robinson Road, SBF Center, #20-01/02, Singapore 068914  
Tel: (65) 6241 6626

**GOODWILL ENTERTAINMENT HOLDING LIMITED**(Incorporated in the Republic of Singapore)  
(Registration No. 201633838K)**IMPORTANT:**

1. A Relevant Intermediary\* may appoint more than two (2) proxies to attend the AGM and vote.
2. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") and wishes to appoint the Chairman of the Meeting as proxy should inform their respective SRS Operators to submit their votes at least 7 working days before the AGM.
3. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

**PROXY FORM***(Please see notes overleaf before completing this Form)*

\*I/We \_\_\_\_\_ (Name), \*NRIC/Passport No. \_\_\_\_\_

of \_\_\_\_\_ (Address)  
being \*a member/members of **GOODWILL ENTERTAINMENT HOLDING LIMITED** (the "Company"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing \*him/her/them, the Chairman of the Meeting as \*my/our \*proxy/proxies to attend and vote for \*me/us on \*my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at 201 Victoria Street, Bugis+ #07-05/06 Singapore 188067, on Wednesday, 29 April 2026 at 1:00 p.m.. and at any adjournment thereof.

\*I/we direct \*my/our \*proxy/proxies to vote for, against or abstain the Resolutions to be proposed at the AGM as indicated hereunder. If no specified direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the \*proxy/proxies will vote or abstain from voting at his/her/their discretion.

(\*Please indicate your vote "For", "Against" or "Abstain" with an "X" within the box provided.)

No.	Resolutions relating to:	For*	Against*	Abstain*
<b>AS ORDINARY BUSINESS</b>				
Resolution 1	To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2025 together with the Directors' Statement and Independent Auditors' Report thereon.			
Resolution 2	To approve the payment of Directors' fees of S\$150,000 for the financial year ending 31 December 2026, payable quarterly in arrears			
Resolution 3	To re-appoint Foo Kon Tan LLP as Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration.			
<b>AS SPECIAL BUSINESS</b>				
Resolution 4	To approve general authority to allot and issue shares			
Resolution 5	To approve the Proposed Renewal of the Share Buyback Mandate			

Date this \_\_\_\_\_ day of \_\_\_\_\_ 2026

**Total Number of Shares held in:**

CDP Register	
Register of Members	

\_\_\_\_\_  
*Signature(s) of members(s) and  
Common Seal of Corporate Shareholder*

\*Delete where applicable

**IMPORTANT: PLEASE READ THE NOTES OVERLEAF**

## NOTES:

1. Please insert the total number of Shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. (i) A member (who is not a relevant intermediary) of the Company entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint not more than two proxies to attend, speak and vote on his behalf and where a member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Member Proxy Form.  
  
(ii) A member (who is a relevant intermediary) of the Company entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint more than two proxies to attend, speak and vote on his behalf, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Member Proxy Form.

\*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, 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.
3. A proxy need not be a member of the Company. A member can appoint the Chairman of the Annual General Meeting as his/her/its proxy but this is not mandatory.
  4. If the instrument appointing a proxy is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he thinks fit.
  5. If the instrument appointing a proxy is returned without the name of the proxy indicated, the instrument appointing a proxy shall be invalid.
  6. If the appointor is an individual, the instrument appointing a proxy shall be signed by the appointor or his attorney.
  7. If the appointor is a corporation, the instrument appointing a proxy shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act.
  8. The signature on the instrument appointing a proxy need not be witnessed. 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 appointing a proxy, failing which the instrument may be treated as invalid.
  9. The instrument appointing a proxy must be submitted to the Company in the following manner:
    - (a) if sent personally or by post, be deposited at the office of Company's Share Registrar, B.A.C.S. Private Limited, located at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
    - (b) if submitted electronically, be submitted via email to the Company's Share Registrar, B.A.C.S. Private Limited at [main@zicoholdings.com](mailto:main@zicoholdings.com),

in either case, by 1:00 p.m. on Sunday, 26 April 2026, no later than seventy-two (72) hours before the time appointed for holding the Annual General Meeting, and in default the instrument of proxy shall not be treated as valid.

**Members are strongly encouraged to submit completed proxy forms electronically via email.**

## General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies 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 Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

## PERSONAL DATA PRIVACY

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 April 2026.





**GOODWILL ENTERTAINMENT HOLDING LIMITED**

(Company Registration No: 201633838K)  
(Incorporated in the Republic of Singapore)  
10 Kallang Ave  
#13-13 Aperia Tower 2  
Singapore 339510